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THURSDAY, SEPTEMBER 30, 1948

Fire Prevention Week

AND EVERY WEEK

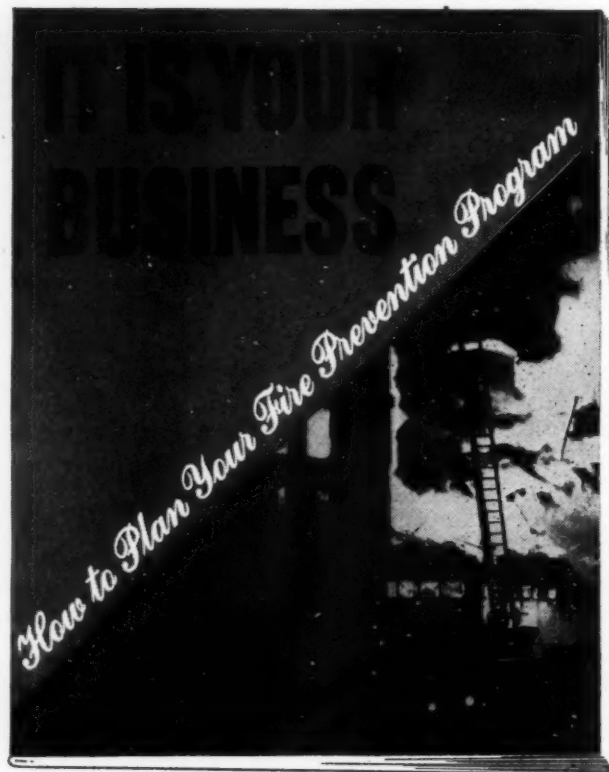
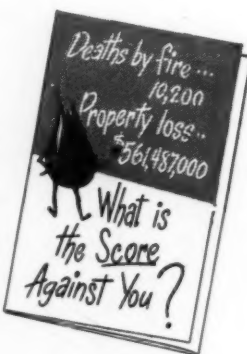


You, as a local agent, are the natural leader in your community's fire prevention program. As an expert in this field, you know that Planned Fire Prevention does not end with Fire Prevention Week. You know it is a 52-weeks-a-year job.

To help you plan and carry out your local fire prevention campaign, the National Association of Insurance Agents with the guidance of their Fire Prevention Committee has published this booklet, "It Is Your Business." Written by a specialist of the American Insurance Group, the booklet outlines

FOR YOUR CUSTOMERS AND PROSPECTS...

A two-fold self-mailer that dramatically points out to the home and property-owner 10 cardinal rules to be observed in the continuous battle against the ravages of fire. American Group Agents are receiving this self-mailer now. Write the American Insurance Group, Newark 1, N. J. for your sample.



your entire community program. Tested methods, proved efficient in actual practice, are explained and illustrated. "It Is Your Business" is endorsed by the National Board of Fire Underwriters and the National Fire Protection Association. Invaluable in planning and developing your year-round fire prevention program, this booklet is AVAILABLE AT ONCE FROM THE N.A.I.A., 80 Maiden Lane, New York 7, N. Y.

1846
THE American Insurance Group

Newark 1, New Jersey

The American Insurance Co. • The Jersey Fire Underwriters • The Columbia Fire Insurance Co. • Bankers Indemnity Insurance Co. • Dixie Fire Insurance Co.

Term Discount Must Be Valid to Face Possible FTC Probe

**Dineen Climaxes
Annual Meeting of
C.P.C.U. Society**

Robert E. Dineen, New York insurance superintendent, speaking during the annual meeting of the American Society of Chartered Property & Casualty Underwriters warned that term discounts must be predicated upon actual costs determined by sound accounting practice against a possible day when FTC, a congressional committee or some other agency representing the people, calls for the basis of this determination. He spoke before a sizable segment of Chicago's insurance population at the all-industry conferment luncheon.

Mr. Dineen said that if the FTC can examine the rate structure of the mail order A. & H. companies, there is no reason to think that it, or some other agency, might not be free to examine the rate structure of the fire business. The New York department has discovered in its study of term discounts that there is no exact accounting basis for them. They appear to be figures taken out of a hat. He stated that the C.P.C.U. designees represent a studious and informed side of the insurance industry and that more men of this type are needed in company and producers' ranks alike.

The New York superintendent said that there has been no determination by the commissioners as to what to do with term business. Until the basis of the 16 2/3% discount for three year business and the 20% for five-year term can be justified or disapproved, he said there is no reason to replace guesswork with more guesswork by dragging out some other arbitrary figure such as the 10% often mentioned as a compromise discount for this business. Nor can the commissioners and the industry overlook the fact that if the discounts on term business are lowered without changing the rate, the price of the coverage is raised for some 70% of the policyholders. Care must be taken not to discriminate against people who are willing to buy term insurance if they are entitled to discounts.

Cites English Practice

Without making any comment, he reported that the New York department has found in England the practice is for both the companies and insured to bind themselves to keeping the policy in force five years, but the insured agrees to pay any new rate as it is promulgated either up or down. Although the English agent takes a smaller percentage of the premium, he is free from having to keep any records, as the English company keeps them all, so in reality he makes as much in the long run as the American agent.

He reiterated his demand that any and all rates be based on sound cost accounting and supporting information, and be on record in a public office for examination.

In his presidential report, Robert F. (CONTINUED ON PAGE 11)

Not Many Guesses on New N.A.I.A. Vice-President

As the time for the annual meeting of the National Assn. of Insurance Agents in Chicago next week approaches, there seems to be less speculation and fewer guesses about the new officers than for many years in the past. John C. Stott, Norwich, N. Y., vice-president, will unquestionably succeed William P. Welsh, Pasadena, as president. The big speculation is usually over the new vice-president, but future books have been extremely quiet this year.

At the Atlantic City meeting last year, those inclined to make predictions forecast that O. Shaw Johnson, Clarksdale, Miss., who was then elected to his second term on the executive committee, would be the favorite this year. In the absence of further known developments, this still seems the best guess. Mr. Johnson is popular and able and is respected through N.A.I.A. for his work as chairman of the crucial future finance committee.

Other Possibilities

There never has been a rule that the vice-president of the National Association be chosen from the executive committee, but in practice, under both the present and the old constitutions, this has been the case for many years. Prior to 1942, when the executive committee was larger and its personnel changed less often, most officers served a minimum of three years before going into the second spot. The present smaller committee, with more rapid turnover, has made this impractical. Most vice-presidents chosen since 1942 served two years and Mr. Welsh had served only one year when he was chosen at Denver in 1946.

Perkins Also Two-Year Man

R. S. Perkins, Manchester, N. H., is the only other two-year man on the executive committee. He has not been the subject of rumors for the vice-presidency and it is not generally known whether he is interested or would accept. Geography would run against Mr. Perkins this year, with a New York man certain to be president.

Norman A. Chrisman, Pikeville, Ky., who was elected to the executive committee last year, has considerably more standing than most freshman members, because of his previous service as chairman of the important steering committee of the national board of state directors. He is extremely popular, but he was ill this summer and it is quite likely that he will be unwilling to accept further responsibilities at present. Despite earlier fears, however, he expects to be able to attend the Chicago meeting.

W. M. Sheldon, Chicago, and M. J. Miller, Fort Worth, were appointed to the executive committee last year and either might be a dark horse. Mr. Sheldon has achieved considerable prominence during the past few years because of his work as chairman of the metropolitan agents committee.

Rocky Mountain Meeting Scheduled for April 1-2

The first regional Rocky Mountain conference in National Assn. of Insurance Agents' series of 1949 regional meetings will be held April 1-2 at the Broadmoor Hotel, Colorado Springs. Ralph E. Austin, La Junta, Colo., is chairman. Colorado, New Mexico and Wyoming will be represented.

Ohio Turns Down Pearl Rating Plan; Bureau Filing O.K.'d

Ohio, one of seven states which this week approved the interstate multiple location rating plan originated by a number of important companies and filed through the inspection bureaus for their members, has disapproved the interstate rating plan of Pearl. The letter of approval for the inspection bureau filing states that it is the understanding of the department that the bureau and the organizations with which it cooperates are endeavoring to work out a final program in connection with interstate rating.

It is understood that the North America plan already has been approved in Ohio.

The department turned down the interstate rating plan of Pearl after an extra 15 days wait. The letter of disapproval from Commissioner Shield notes that the Pearl plan does not come within the framework of the Ohio rating laws as an independent filing or as a deviation from an approved filing. He states that Pearl is a member of the Ohio Inspection Bureau and the bureau has on file an approved method of rating interstate risks. Ohio law does not permit a company to authorize filings from a rating bureau for part of a class and reserve an independent filing for another part of the same class for itself. Mr. Shield said that Pearl is attempting to make a filing on a class for which it has already authorized the department to accept filings of a licensed rating bureau.

Is Not a Deviation

The commissioner further states that the proposed plan cannot be accepted as a deviation from the bureau filings inasmuch as it substitutes an entirely new rating schedule and set of rules by which the company intends to oust the bureau from any authority over application of the plan. Thus there is no original plan from which Pearl is making a deviation. Further, the plan constitutes an abrogation of the bureau rules governing auditing of policies.

In the event that Pearl should decide to correct the situation in connection with its method of filing, Commissioner Shield remarked that he would still feel compelled to disapprove because (1) interstate risks are not being discriminated against under the present filed rating plan. A department study shows that interstate business under the old I.U.B. rating plan has produced a loss ratio of approximately 58% as compared with one of 41% on mercantile stocks, the closest comparable class. (2) Pearl provides for discounts based on size alone, which the department regards as discriminatory. No statistics or other supporting data for such discounts are submitted with the plan. (3) The plan provides for reducing the rate for "an alleged reduction in commission costs," and the superintendent states that fire rates, within his knowledge, have never been predicated on commission cost as a separate item and such costs have never been included as such in the rating formula. Since there is no recognized percentage for commission included in the fire rate, there would be no point from which to start in preparing a modification, Mr. Shield said.

(4) In general, only factors favorable to the insured have been placed in the plan. Mr. Shield noted that of the 13 factors listed by Pearl, nine operate only as a credit; only one provides a table of debits and credits, and two (CONTINUED ON PAGE 11)

W.U.A. Meeting Is Western Fire Insurance Congress

**Many Important Topics
Tackled but Final Action
Not Taken at This Time**

By LEVERING CARTWRIGHT

WHITE SULPHUR SPRINGS— The mid-year gathering of Western Underwriters Assn. attracted an exceptionally large attendance. It was a congress of western fire insurance



E. H. Forkel

affairs in the superb and strikingly redecorated atmosphere of the old Greenbrier, which was the favorite W.U.A. meeting place prior to the war. The convention period was extended a day beyond the customary stretch and thus there was an excellent opportunity for a variety of committee meetings and huddles on questions that come not only directly within the W.U.A. sphere but also those that fall within the entire fire insurance community. The weather was the kind that the golfers live for. There were more wives than usual on hand and there was an unusually large representation of easterners.

At the subscribers actuarial committee meeting Tuesday morning, it was announced that the interstate multiple location rating plan, which was originated by a number of the most important companies and which was filed by the inspection bureaus for their members, had been approved on a temporary basis in Ohio, Indiana, Kentucky, Tennessee, Iowa, Kansas and Oklahoma. This is the full rate plan under which the rates are averaged at the state level. It is designed as a stop-gap measure until some permanent program can be devised to fill the I.U.B. vacuum.

Although a number of important subjects were tackled, the timing was such until some permanent program can be put on them here.

E. H. Forkel of National Fire presided at his first meeting as president devised to fill the I.U.B. vacuum.

Like the Longer Period

The members were well pleased with the new plan of extending the meetings an extra day, as this gave an opportunity for greater deliberation of current questions and for fuller exchange of views both inside and outside the meeting rooms.

The western contingent arrived Saturday morning in five special cars from Chicago and the governing committee immediately went into session and remained in a huddle throughout the day. They also had a pre-golf conference Sunday morning.

Monday morning was devoted to meetings of the executive committees of Oil Association and Grain Association. These were particularly designed to give the easterners a grasp of current operations. H. A. Clark of Firemen's was in charge as chairman and president (CONTINUED ON PAGE 18)

Oregon Agents Elect Smith President; Shape New Program

Schoenfeldt Asks Support of New Workmen's Compensation Law

At its annual meeting the Oregon Assn. of Insurance Agents adopted resolutions seeking remedial action against



A. P. Knapp



S. H. Carter

coercion of insurance by lending institutions, advocating establishment of an insurance department at a state college, amendment of agents' qualification act to provide for insurance men as examiners, and recognition of perfect driving records by issuing specially-colored drivers' licenses.

J. Don Smith of Eugene succeeded Addison P. Knapp, Portland, as president. Harold S. Hays, Portland, is the new chairman, and Sprague H. Carter, Pendleton, was reelected state national director.

Executive Committee

The new officers announced the following executive committee appointments: Gordon Dunlap, Baker; Phil Gould, Bend; Robert Jones, Myrtle Creek; Charles Huggins, Salem; E. H. Singmaster, Ashland; Keith Rhodes, Lebanon; Fred E. Jewett, J. A. Arnold, Fred C. Reed, Marshall Brown and Harold B. Larson, all of Portland.

William P. Welsh, Pasadena, president of the National association, headlined the speakers' program. William Healy, assistant secretary of state, told of minor changes contemplated in the financial responsibility law to ease administration of the act. Douglas McKay, Salem, Republican nominee for governor, made two appearances at the convention.

New Qualification Plan

In an open forum session, Mr. Carter urged amendment to Oregon qualification law calling for a board of examiners. Senator-elect Robert E. Duniway stated that a special interim committee would probably recommend a new law requiring utilities to file statements detailing purchases, including insurance, made within the state. Fred C. Reed, Portland, gave an analysis of the advantages of private insurance plans over compulsory or state insurance systems. R. G. Crakes presented the suggestion of setting up a credit exchange information bureau within local board jurisdictions. Cooperation with an accredited school in training girls for insurance work was urged by Charles H. Huggins, Salem.

At a luncheon, Commissioner Thompson pointed out that the number of new fire and casualty agencies licensed this year will be slightly over 300. He spoke of mail order activity of the Federal Trade Commission and the problem of multiple-rating plans.

At the annual banquet, George W. (CONTINUED ON PAGE 24)

Jordan Denies Compromise Move in D. C. Rate Case

WASHINGTON — Nobody has approached him on the matter of a compromise of the District of Columbia fire rate reduction case pending in the courts for the past two years, Superintendent Jordan says.

Nevertheless, rumors of possible compromise or settlement out of court, rather than retrying the case on its merits, persist in insurance circles here. Some close observers, however, believe that even under a compromise settlement there would be some rate reduction.

The appellate court here overruled Judge Holtzoff's decision upholding the constitutional objection of fire companies to Jordan's order for rate reductions based on alleged lack of a hearing before the order was issued. The case was remanded to the district court, where D. C. officials say they expect it will be retried.

Conferences Among Counsel

Meanwhile, there have been conferences among counsel representing both sides, and more recently the companies are understood to have been preparing data showing increased costs, losses and other factors tending to sustain their contention that rates should not have been ordered reduced. Instead, it has been claimed that because of increased costs, etc., the companies should be allowed increased rates.

D. C. officials say certain figures submitted by the companies were found incorrect or incomplete and that Scott Harris of Froggatt & Co. has been engaged to "find the correct answers."

On the other hand, insurance repre-

Gives Tips on Employee Handbooks

The National Board has published a new booklet, "Planning Effective Employee Handbooks." This is designed to tell personnel directors and others responsible for employee relations in fire insurance companies how to prepare handbooks, or indoctrination manuals which will aid in the development of good management-employee relations.

"The best way to encourage employee goodwill and understanding is to inform employees of what the business is all about—how and by whom it is managed—what its objectives are—and why it is a good business to be in," the booklet states. "Indoctrination manuals have been found to offer an excellent means of imparting this information to employees."

The handbook was prepared by Norman C. Davis, director of employee education for the National Board, and is based on a study of 237 employee handbooks published by many types of industries and businesses.

This is the second publication in the National Board's new employee relations program, the first being a bi-monthly executive bulletin, "Suggestions," which provides company executives with new information on developments in the employee relations field.

representatives say no "final figures" ever were submitted, though there were "some discussions." It was stated in behalf of the D. C. Rating Bureau that company figures are being brought more nearly to date by including cost data, etc., for 1947, as well as statistics for 1945 and '46, with a view to applying for fire rate increases. Froggatt & Co. is assisting the rating bureau on statistical information.

Pa. Agents Act to Meet Auto Dealers, Other Problems

At the Pennsylvania Assn. of Insurance Agents meeting in Bedford, officers advised members to report to them letters and advertising by auto dealers stating that a complete service, including insurance coverage, is provided. The association wants to correct the misleading impression that complete insurance is being offered, and is turning such advertising over to the insurance department for action.

Pennsylvania agents object to the fact that nine other states have countersignature laws that provide for retention by the home agent of all or too large a portion of the commission. They have asked the insurance department for application of Pennsylvania's retaliatory law in order to get action.

Stanley Cowman, Philadelphia, retiring president, pointed out that there is a new law in Pennsylvania on automobile finance companies, which provides that the insured can buy his insurance from any source; he does not have to buy it from the automobile dealer. Complaints should be referred to C. N. Fritz of the state banking department.

Collections Harder to Make

Several agents commented in a discussion of collections that these were becoming harder for them to make. This is not yet reflected in company balances, but is likely to be by year end.

The companies are dropping older automobile driver risks after they have been on the books many years, several of the agents complained. Roy Duffus, Rochester, N. Y., said he didn't believe many companies do this unless the risk had had some foolish property damage losses that indicate the driver is losing his judgment. Those that cancel are doing the business a lot of harm, he said, and they should be told so. An arbitrary rule that states a driver is no good at 65 and should be cut off from insurance is a bad one. Actually, there is only a very small percentage of increase in accidents of drivers over 65, he declared.

Patrick Fitzpatrick of Home, Philadelphia, had the low gross in the golf tournament, a 79; and Harold Aulenbach, Reading, had a low net with a 71. A number of prizes donated by companies were distributed.

General Accident maintained headquarters.

Thomas Ternan, Jr., manager of Fidelity & Deposit at Philadelphia, was in charge of the F. & D. headquarters.

Elect at Superior, Wis.

SUPERIOR, WIS. — The Superior Board of Fire Underwriters has changed its name to Superior Assn. of Insurance Agents, adopted a revised constitution and bylaws, and elected these officers: William Bolton, president; Edward Smet, vice-president, and William McKinnon, secretary.

Wrong Company Shown

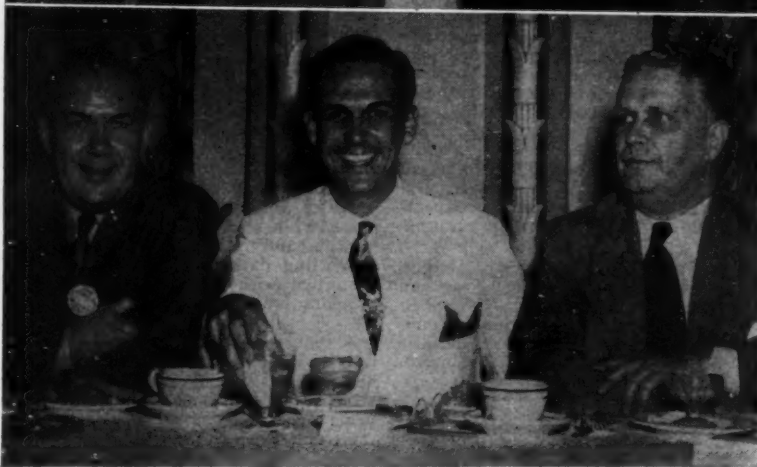
In the advertisement of the Meeker-Magner Co. of Chicago in connection with the annual meeting of Illinois Assn. of Insurance Agents, the firm was inadvertently shown as general agent of Sun Life of Canada, when it should, of course, have been Canada Life.

Ill. P.R. Program Planned

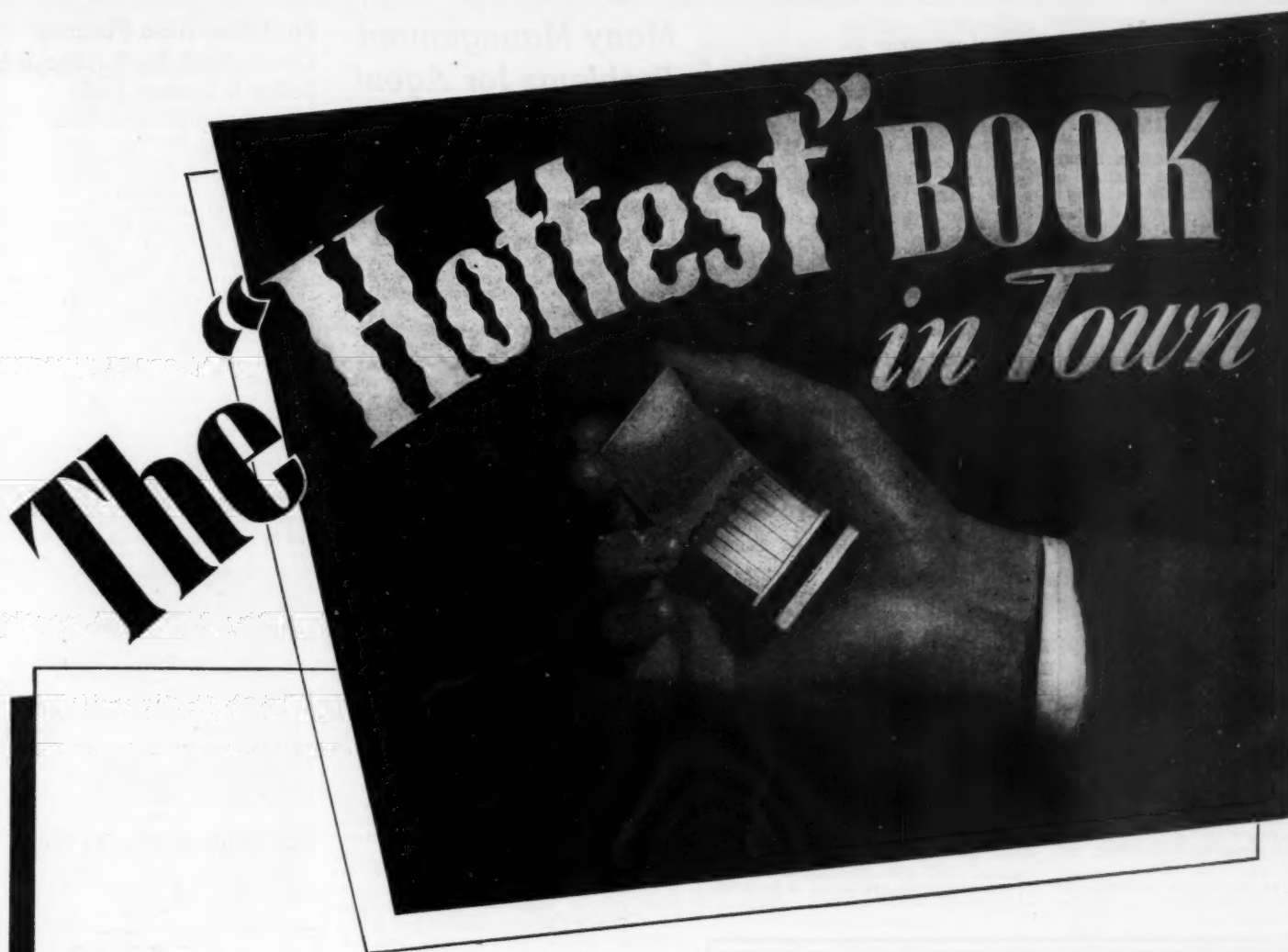
A public relations committee consisting of field men of nearly all stock companies in Illinois, met Wednesday in the Chicago Board auditorium to set up a streamlined public relations program for field men and local agents co-operating with civic organizations.

R. K. Johnson, Aetna Fire, is chairman of the group.

New Illinois Agents' Leaders



New officers of Illinois Assn. of Insurance Agents photographed at the annual meeting last week at Rockford by Harry H. Fuller, deputy U. S. manager of Zurich. From left at the top: Merle A. Read, Joliet, state director; W. W. Hamilton, manager; Frank H. Hawk, Peoria, executive vice-president; Mrs. Lillian L. Herring, secretary; Lyman M. Drake, Jr., Chicago, the new president, and Russel L. Sprouse, Springfield, chairman. At the bottom during the banquet, from the left: Roy L. Davis, midwest manager of Assn. of Casualty & Surety Companies; Maurice Herndon, assistant Washington representative of the National association, and N. McCullough Winters, Quincy, outgoing state national director.



This is truly the "hottest" book in town, for 30% of *all* fires are caused by the careless use of "matches-smoking". It is the greatest single cause of fire loss in the United States.

Careful handling of matches, cigarettes, cigars and pipes will stop fires and prevent much needless waste. Don't be a careless, forgetful smoker. Last year Fire, the Fifth Horseman, destroyed \$700 million in homes, factories, stores, warehouses, farms, forests. Fire destroys not only hard-to-replace property; but, annually, snuffs out 12,000 precious lives.

Watch your smoking. Chaperone your cigarettes; don't let them go out alone. Participate in and cooperate with this year's Fire Prevention Week program as sponsored by the National Board of Fire Underwriters, 85 John Street, New York 7, N. Y. Write there for Fire Prevention plans and material.

NORTH BRITISH AND MERCANTILE INSURANCE COMPANY LIMITED
 THE PENNSYLVANIA FIRE INSURANCE COMPANY
 THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
 THE MERCANTILE INSURANCE COMPANY OF AMERICA
 THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 7, N. Y.

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Philadelphia

Boston

Detroit

Chicago

San Francisco

Half Year Results Encouraging, Home President Finds

President Harold V. Smith of Home, in transmitting the midyear figures of that company to stockholders, said that in many significant respects, the first half of this year produced encouraging



HAROLD SMITH

results. Some of the improvement was due to the merger of the affiliated fire insurance companies into the current organization. Net income after providing for income taxes, shows a substantial increase as compared with the first half of last year.

The midyear statement includes the

consolidated condition of Home and nine of its former affiliated companies. They do not include consolidation of Georgia Home, which did not take place until after June 30.

The assets amount to \$284,378,185 as compared with \$193,896,657 at Dec. 31. The cash accounts for \$31,574,697, government bonds \$104,334,731, other bonds and stocks \$122,593,453, investments in associated companies \$8,572,145, real estate \$4,186,920, agents' balances \$10,549,897.

The premium reserve is \$140,029,197 as compared with \$91,473,696 at Dec. 31. Loss reserve is \$36,087,051 as against \$23,904,922. The capital is \$19,899,926 as compared with \$15 million and net surplus is \$77,919,932 as against \$51,682,087.

National Capitol Pond Installs New Officers

Robert L. Wiseman, Wiseman & Bunting adjustment firm of Washington, was installed as most loyal gander of the new National Capitol Pond of Blue Goose at the first meeting. Past Most Loyal Grand Gander Joseph R. Knowlan, Philadelphia, and Paul M. Fell, Middle Department Rating Assn., grand custodian, performed the installation. Three goslings were initiated and 35 ganders admitted.

Other officers are: Supervisor, R. K. Davis, Jr., Washington manager of Hartford; custodian, Norman Dorphley; guardian, Gordon C. Piercey, Home; keeper, Fred R. Bunting, Wiseman & Bunting, and welder, L. H. Durlow, Royal.

Big Fla. Yacht Fire Loss

Fire recently in the Lake Worth Marine Ways at Lantana, Fla., caused total damage to 18 yachts that were stored there, partial loss to two craft and the storage shed was destroyed. The loss is conservatively estimated at \$100,000.

Many Management Problems for Agent

The insurance agent has his own peculiar management problems which until recently have not received the attention they merit. Oscar Beling, superintendent of the agency systems department of Royal, said in his talk before the Ohio Assn. of Insurance Agents meeting last week at Columbus. Because more agents recognize that roughly 60% of gross commission income represents the average cost of doing business, the subject of management of an insurance agency is now assuming an increasing importance.

Mr. Beling said that another potent incentive to the study of agency management is disclosed when operating costs are compared with premium income. For example, a new line involving \$1,500 a year in premiums would be welcomed, but a study of operations might indicate the need for a few changes resulting in a saving of \$10 a month. In terms of dollars and cents the net results are identical, since a recent survey by the National Assn. of Insurance Agents demonstrated the average profit an agent may expect is 8% of premium volume and \$10 a month is 8% of \$1,500 a year.

"Blue Print for Profit"

Mr. Beling said profitable agency management hinges on the number of basic questions that might be regarded as a "blue print for profit." The agent might ask himself if he has a well organized plan for selling; if there are sales meetings at regular intervals; do the employees have enough training to serve customers properly and intelligently; is the office arranged attractively and designed for efficiency; are there adequate line records; are the files modern and efficient; are expiration records complete under adequate control; are the stenographic and policy writing details efficient and well coordinated; do the accounting records tell what the assets of an agency are, whether there are sufficient reserves for unearned commissions, etc.; and are collections receiving consistent attention. He discussed modern systems which would incorporate the newest methods in agency operation.

Insurance Women's Ass'n of Spokane resumed its regular evening meetings with a dinner session.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Sept. 27, 1948

	Div.	Bid	Asked
Aetna Casualty	3.00	74	77
Aetna Fire	1.80*	42	43 1/2
Aetna Life	2.10	48 1/2	50 1/2
American Alliance	1.00*	20	22
American Auto	1.20	41	Bid
American Casualty	.80	10 1/4	11 1/4
American (N. J.)	.70	15 1/4	16 1/4
American Surety	.50	59	61
Boston (New)	2.40	55	57
Camden Fire	1.00	18 1/2	20
Continental Casualty	2.00*	50 1/2	52
Fire Association	2.50	57	59
Fireman's Fund (New)	2.60	68 1/2	70 1/2
Firemen's (N. J.)	.50	14	15
Glens Falls	1.60	43	44 1/2
Globe & Republic	.50	8 1/4	9 1/4
Great Amer. Fire	1.20*	30	32
Hanover Fire	1.20	28	29 1/2
Hartford Fire	2.50*	108	110
Home (N. Y.)	1.30	27 1/4	28 1/4
Ins. Co. of North Am.	3.00	96	97 1/2
Maryland Casualty	...	13 1/2	14 1/2
Mass. Bonding	1.60	25	27
Merchants Fire, N. Y.	1.15*	25 1/2	27 1/2
National Casualty	1.25*	26	28
National Fire	2.00	43	44
New Amsterdam Cas.	1.20	27	29
New Hampshire	2.00	40 1/2	42
North River	1.00*	22	23
Ohio Casualty	.80	43	Bid
Phoenix Conn.	2.00*	76	78
Preferred Accident	...	3	4
Prov. Wash.	1.40*	31 1/2	33
St. Paul F. & M.	2.00	75	77
Security, Conn.	1.40	28	29 1/2
Springfield F. & M.	1.90	41	42 1/2
Standard Accident	1.45	30	32
Travelers	18.00	594	604
U. S. F. & G.	2.00*	46 1/2	48 1/2
U. S. Fire	2.00	49	51

*Includes extras.

Pa. Rules Auto Finance Cover Must Be Replaced by Seller If Insurer Fails

HARRISBURG—Fire, theft and collision policies on automobiles sold on time payments in Pennsylvania must be replaced by the sellers or their assignee finance companies or banks in the event of collapse of the insurance company, unless the buyer actually selected the carrier, T. McKean Chidsey, attorney general, has ruled.

The decision is based on the motor vehicle sales finance act of 1947 and applies to all automobile insurance written or selected by sellers for buyers on or after August 27, 1947, the effective date of the law. The opinion was issued at the request of D. Emmert Brumbaugh, state banking secretary, in the case of Paramount Mutual of Philadelphia, which was ordered liquidated by action of the Dauphin county court on Dec. 3, 1947. All outstanding policies written by the mutual were automatically canceled by the liquidation order.

The attorney general said, "The acceptance by the buyer of an insurance agent, broker or carrier, in fact selected by the seller, will not suffice to shift from seller to buyer the obligation to pay for a necessary replacement of the insurance risk."

The policies must be replaced at the expense of the sellers or their assignee finance companies or banks unless the insurance coverage was obtained by the buyer through an agent or broker or in an insurance carrier of his own free and unhampered selection, as permitted by the automobile finance law, the attorney general ruled.

N. J. Mutual Men to Meet

New Jersey Assn. of Mutual Insurance Agents will meet Oct. 8 at Stacey Trent Hotel, Trenton.

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1794

154TH ANNIVERSARY

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Takes Part in Study of Model Building Code for Cities

The situation as regards building codes throughout the country for a long time has been and still is very confused, with a great many conflicting codes as between various cities, according to Allen E. Hendricks, president of Hendricks Engineering Corp. of Chicago. As a result the Building Officials Council of America, composed of the building commissioners of most of the American cities of any importance, have attacked this problem. Mr. Hendricks has just returned from New York City where the convention of the council was held, at which he participated with the commissioners for 10 days in discussions which may lead to rewriting the basic building code. Mr. Hendricks' particular contribution was in connection with certain fire protection sections in the basic code.

The commissioners have been working on the proposed uniform code for four years which is designed to serve as



ALLEN E. HENDRICKS

a model for the individual cities to employ in revising existing codes. Mr. Hendricks was called in as a consultant because of his long experience in the fire protection field.

His firm conducted a nationwide inspection service, designs and supervises installations of sprinkler systems and makes special reports covering fire vaults, special hazards, etc., for companies, agents and brokers.

Mr. Hendricks was a member of the President's Conference on fire prevention last year and attended the sessions in Washington.

He was consultant to the Greater Chicago Hotel Assn. in having the building code there modified as applicable to hotels so as to be more practical and yet provide adequate protection for the public. These changes followed a number of disastrous hotel fires in the city. As a result of his work in this connection, the Chicago hotels were permitted by city officials to enclose stairways and elevators with fire-resistive walls and doors under code provisions which were not so drastic as the ones previously in effect which would have made it difficult for some of the older hotels to continue operating.

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The Hendricks Engineering Corp., nationwide inspection service is rendered to business and industrial concerns in some 2,500 cities on a semi-annual basis, providing fire protection, safety and building maintenance reports. The Hendricks inspectors are skilled engineers who are maintained in a number of branch offices strategically located throughout the country. The resident engineers, all of whom have had long experience in the field are: Gordon E. Hackborn, Minneapolis; Vernon L. LeMaster, Atlanta; Charles H. Roth, Los Angeles; John M. Mooney, Philadelphia; Frank C. Simpson, New York

city, and William L. Pretz, San Antonio. Associated with Mr. Hendricks in the Chicago head office is R. W. Schirmer, vice-president and chief engineer, who now is completing his ninth year with the Hendricks firm. He is a graduate engineer and before joining Mr. Hendricks 12 years ago was an engineer with the Chicago Board.

Brokers' Advisory Committee

A government advisory committee has been organized by the National Assn. of Insurance Brokers to render such help and advice to the federal gov-

ernment as it is able to provide. John Langhorne of Flynn, Harrison & Conroy, New York, is chairman. Members are W. Wright Humphreys of Hutchinson, Rivinus, Philadelphia, and the following, all from New York: Muscoe Garnett, Marsh & McLennan; Philip W. Ness, Alexander & Alexander; H. H. Salmon, Johnson & Higgins, and John L. Van Name, Despard & Co.

George B. Cooper, Memphis local agent, has moved to new quarters at 420 Goodwyn Institute building at Third & Madison.

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Ia. Agents to Have All New Officers

Association Plans to Push Through Qualification Bill at Next Session

DES MOINES—An entire new slate of officers, including executive committeemen, was expected to be named for Iowa Assn. of Insurance Agents at its annual meeting here as the organization prepared to push through an agents qualification bill at the next session of the legislature.

Those slated to be named for the two top offices have been district chairmen. William F. Grandy of Sioux City was being mentioned for president and William Whipple of Cedar Rapids for vice-president. Both are young men and have done outstanding work the past year as district chairmen. W. C. Brunk of Ottumwa, is the retiring president.

Emil C. Elling of Garner, vice-president, has declined to step up and John S. Cutter of Shenandoah, treasurer and former secretary-treasurer of the organization, asked to be relieved of his duty. As a result the organization will have an entire new group of officers and with a new executive committee will present a new front for its legislative work. The association will again seek to push through its agents qualification bill after failing to gain a favorable vote at the 1947 state legislature.

Big Gains in Past Year

Retiring members of the executive committee include Arthur Dinwiddie of Bedford; H. E. Vaughan of Waterloo, and George H. Cockburn of Cedar Rapids.

The organization gained considerable strength during the last year, largely through the efforts of its secretary-manager, James W. Richards of Des Moines, who has established an office for the association at Des Moines and accounted for a gain of 125 in the membership of the organization.

It was announced that Mr. Richards will start issuing shortly a monthly

publication for the association.

The convention opened Tuesday with an executive committee meeting and a golf tournament at the Des Moines golf and country club. A smoker was held in the evening for early arrivals.

Brunk Reports Membership Gain

The Iowa association on Sept. 1 had 413 members, an increase of 25 during the year, William C. Brunk, president, stated in his report. He said that the enrollment can be put above the 500 mark by the end of the coming year.

The association conducted a series of 13 regional meetings last March reaching more than 500 insurance people. Mr. Brunk said that the help of Maurice G. Herndon of the Washington office of the National association, Don Malum, deputy commissioner, who spoke at the sessions, and the company field men contributed a large share to their success. The association will hold similar gatherings in the coming year.

Mr. Brunk emphasized that there is a big need today for a strong trade association. There is too much divided effort in the business. He said the problems of the stock and mutual company agents are much the same and this fact should be recognized and the groups work together.

Assigned Risk Operation

In the three months that the Iowa assigned risk plan has been in effect, there have been approximately 700 assignments, W. J. Gissendanner, manager of the plan, said in his remarks. Many more applications have been received but were returned as being incomplete. So far there have only been 25 rejections.

Mr. Gissendanner said that the greatest difficulty is in improperly completed applications. At first there was some confusion as to the number of rejections required. The application called for three, but this has now been clarified and the forms revised so as to require only a statement from the applicant to the effect that he has been rejected, that he has attempted within the past 60 days to secure coverage but has been refused by at least one company or agent.

Mr. Gissendanner told the agents that after an assignment is made, the company will notify the producer and the applicant as to premium and effective date. If there is any question on the rates, premium or coverage, he said the agent should write direct to the company rather than to the plan.

Some pointers on agency management, especially as regards credit, were given by Dudley F. Giberson, executive of the Giberson Agency of Alton, Ill., (CONTINUED ON PAGE 12)

Laundry Bailee Suit to Supreme Court

WASHINGTON — Seeking writ of certiorari to the tenth circuit court, Barnes-Manley Wet Wash Laundry Co. and L. H. Barnes have petitioned the Supreme Court on appeal in litigation with Automobile. Involved is a fire bailee's customers' policy with premium based on the laundry's gross receipts and requiring the laundry to report accurately to the company gross monthly business. It contained no forfeiture clause for non-payment of premiums.

Petitioners say a total loss occurred last year and the insurer started paying the loss, when it discovered the laundry had understated gross receipts. It paid complete losses up to \$211,000 and then sued for rescission of the contract and return of \$211,000, or one of two alternatives—damages of \$130,000 for breach of the promissory warranty in the contract, or recovery of unpaid premiums based on understated gross receipts.

The district court denied return of losses paid and denied damages, but granted recovery of additional premiums. The circuit court reversed this, the majority holding that if the laundry's report had been true, company liability would have been 43% of \$211,000; hence damage to the insurer due to laundry fraud and deceit was 57% of \$211,000. The circuit court said the false reports did not go to the character of the risk, but to the amount of risk in the location. Petitioner was overruled on motion to dismiss the appeal.

The appeal raises the questions (1) whether the company was entitled to anything more than additional premiums; (2) whether it waived its right for fraud action by continuing paying claims after acquiring knowledge of fraud; (3) could the circuit court decree partial rescission of the policy and could its decision properly turn on what the company says it would have done if gross receipts were accurately reported?

Michigan Pond Plans

Michigan Blue Goose will have its full golf party Oct. 12 at Bonnie Brook Golf Club near Detroit. After the contest there will be a social hour and a steak dinner.

The midyear meeting of the Michigan pond will be next Jan. 1 at the Leland hotel, Detroit. The Grand Rapids puddle will have an evening meeting and banquet Nov. 22.

Ready for Big Fire Prevention Week Observance

Nearly 6,500 organizations and fire safety committees will join in sponsoring community Fire Prevention Week activities, beginning Oct. 3.

The New York office of the National Board has supplied posters, pamphlets, radio scripts, home inspection blanks, and other items to 4,411 fire departments, committees, and organizations which have requested them, and an additional 2,000 requests have been filed by the Chicago and San Francisco offices.

J. M. Haines, president of the board, noted that the thousands of requests for material indicate an increasing public awareness of the urgent problem of reducing fire loss.

The threat of disastrous forest fires will be greater this fall than in any recent year because of the prolonged dry weather, Mr. Haines pointed out. He suggested that this immediate danger could be overcome by extra care on the part of all citizens, since nine out of every ten forest fires are man-made.

In hundreds of cities, Fire Prevention Week will be highlighted with parades, demonstrations of fire fighting techniques, and by inspections of homes, schools, and mercantile establishments. In many towns, citizens will clear out fire-breeding rubbish from cellars and attics and burn it in a huge community bonfire.

Northern Names Kenzel in Wis.

Richard A. Kenzel has been appointed state agent in Wisconsin for Northern Assurance, succeeding C. W. Swazee, who has resigned to join another company. Mr. Kenzel is nationally known as grand wielder of the Blue Goose.

Prior to 1942, Mr. Kenzel was for 16 years with Northern Assurance and since then was resident manager at Milwaukee for Phoenix of London. Last June he became state agent for Caledoniam. He entered the business in 1916 at the head office at Home, and in 1927 joined National Liberty in the underwriting department at Pittsburgh before going to Wisconsin.

Ask E. Hartford Rate Cut

East Hartford has applied to New England Fire Insurance Rating Assn. for a reduction in rates, and asks that it be classified in Class B instead of Class C as at present.

Southwest C.P.C.U. Elects

Price M. McCulley, General Adjuster Bureau, Dallas, has been elected president of the Southwest chapter of the Society of C.P.C.U. He succeeds Hal A. Gullledge, immediate past president of Dallas Insurance Agents Assn., and a member of the Dallas local agency of Highfill, Gullledge & Terry. Willard Crotty, head of the insurance department of J. W. Lindsley & Co., Dallas, was chosen vice-president; and W. H. A. Terry, of the Fort Worth local agency of Lawrence, Highfill & Terry, was chosen secretary-treasurer, with Alfonso Johnson, ex-officio member, continuing as executive secretary.

Observe Golden Anniversary

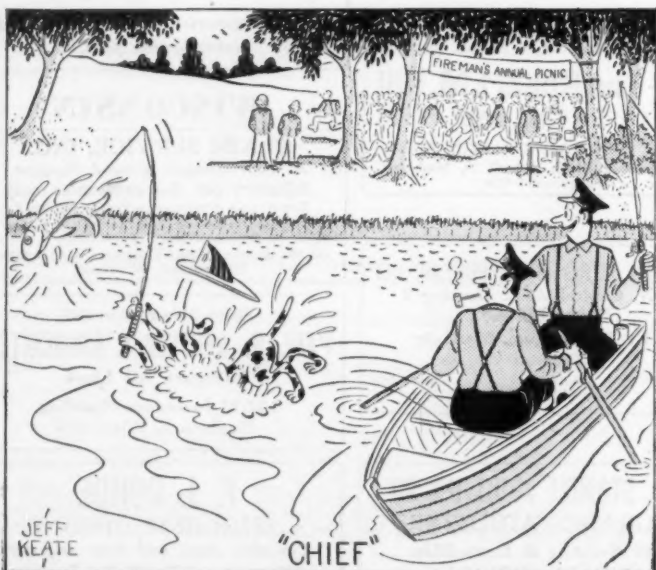
The annual meeting of Indiana Assn. of Insurance Agents at Claypool Hotel, Indianapolis, Nov. 22-24, will celebrate the golden anniversary of the association. An elaborate program is planned.

Corry to Commerce in Ga.

Commerce has appointed George H. Corry special agent in Georgia. He had been serving in that capacity for 18 months under the late W. P. Willis, general agent at Atlanta.



W. C. Brunk



CHIEF ISN'T WORRIED ABOUT HIS ROD AND REEL—IT'S COVERED BY HIS PERSONAL PROPERTY FLOATER. IT'S THE POOR FISH THAT ISN'T COVERED BY INSURANCE.



WRITE FOR THE
CENTRAL AGENCY PLAN

Fla. Hurricane Loss Will Run Less Than \$900,000

Reports from those on the scene in the territory hit by the hurricane which ran through the center of Florida last week indicate that the insurance loss will not exceed \$850,000 to \$900,000. General Adjustment Bureau reports not more than 6,000 to 6,500 losses averaging about \$140.

Most of the losses are small and the estimate of the number of claims in Palm Beach county is 1,000, the average claim being somewhat less than \$500.

The storm entered Florida at Everglade City and continued through the Everglade section, and through sparsely settled parts of the state. It went out to sea near Stuart. The hardest hit town was probably Clewiston, but most of the damage was from flood waters as torrents of rain poured down all over the southern part of the state.

Palm Beach county was probably the most damaged heavily populated section. However, the edge of the storm skirted Miami, Hollywood, Ft. Lauderdale and Delray Beach, and losses in that section were isolated.

Most of the damage is to outlying buildings on the outskirts of cities where the stricter building codes do not apply. Even in the cities, damage was limited to shingles blowing loose and water pouring through the holes. Most of the damage was from water.

General Adjustment has opened special offices at Miami, Miami Beach, Ft. Lauderdale, where about 500 losses are expected, and West Palm Beach.

Florida has learned much about storms in past years, and in the incorporated cities they prepare for the hurricane by "battering the hatches" before the storm arrives. The homes are built under stricter building codes and every precaution is taken by fastening shutters, protecting awnings, etc.

Despite the fact that the first advices reaching company headquarters were that the Florida hurricane losses would be "negligible" or scattering, company executives are keeping their fingers crossed. They have very freshly in mind the storm at New Orleans early in September that was at first reported as of no consequence, but that has since snowballed into a million dollar bill for the insurance companies. What is feared is that in Florida an epidemic of claims will commence to appear, springing from minor roof damage and broken windows but magnified by interior water damage and inflated repair costs—the kind of thing that doesn't meet the eye in a superficial look. The insurers have learned to expect what might be termed a "second take" in windstorm loss situations—a belated realization of the potentialities of the insurance "ticket" on the part of property owners that have been in a storm area.

Loss Ratio Climbs on Dwelling Class

The impression seems to be general in the fire business that experience on dwellings continues at an eminently satisfactory figure. A close student of the business closely checked this for two years. For 1947 the countrywide loss ratio, incurred losses to earned premiums, ran around 55 for frame protected.

This represents a considerable swing from the ratio of around 40 that formerly obtained on this class. In making his check, he assumed that all business was on a three year basis. About 95% of dwelling business is said to be written for three years. In one large metropolitan area, the brick dwelling class, protected, is now running more than 65% losses. These figures are before adjustment expense.

In the September issue of "The Inspection News" of the Retail Credit Co., Vice-President E. J. Hardin comments that in recent years there has been a decline in the number of dwelling reports. Perhaps companies believe that with dwelling places so difficult to find, moral hazard is at a mini-

mum in dwelling lines, he suggests. However, one can see on any suburban road new homes going up, poor as to design and manifestly of poor quality, looking more like barns or garages than new buildings. He wonders if items of fire protection, transportation, schools and community centers are no longer of interest. Few outlying new houses can be mapped, and reports for years have been useful in applying correct rates on outlying dwelling risks, based on distance to fire department, to fire plugs, construction, nearness to other buildings and similar factors.

With the big upsurge in business and the difficulties with personnel that have harried the companies since the war, there has been a marked trend toward that handling of the dwelling class without spending any appreciable time or money on underwriting or inspecting. To a considerable extent this arises from the generally held impression among companies that the class is profitable, but this impression is based largely on the showing of paid losses to written premiums.

Lloyds Alliance has moved its home office into larger quarters at 1100 Lavaca street, Austin, Tex.

Brokers to Maintain Suite at N.A.I.A. Gathering

National Assn. of Insurance Brokers will maintain a headquarters suite at the convention of N.A.I.A. at Chicago next week. This is the first time the brokers have officially been represented at the agents meeting.



George Middleton

President George Middleton of Chicago desires to work in as close harmony with the agents organization as possible and to make common cause in as many directions as possible. Mr. Middleton will preside at the headquarters along with Judge Elmer Sawyer, the N.A.I.B. executive secretary, and other national directors from Chicago. They will be hosts at a cocktail gathering for some of their particular friends of N.A.I.A.

David L. Davis has become a partner in the Pfadt & Tume agency at Lancaster, O.



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AS SEEN FROM CHICAGO

LOSS MAY BE \$3 MILLION

Although the physical damage loss in the recent E. J. Brach candy company explosion and fire in Chicago amounted to a million or \$1½ million, the entire insurance loss it is now thought, will be a great deal more than that, perhaps \$3 to 4 million. This is due to the fact that Brach carried a very substantial line of U. & O. insurance, including ordinary payroll. The section of the plant that was knocked out is a vital one. The insurance is in the factory mutuals.

EXAMINERS START SEASON

Assn. of Fire Insurance Examiners of Chicago started off its fall season with an attendance of 65 at the first meeting and 18 new members were admitted. The speaker was C. E. Harbin, manager of Underwriters Grain Assn., who spoke of the hazards in elevators.

For the first time a number of the companies are paying for the dinners and the dues of their representatives. The dinners are in the Chicago Engineers Club and this setting made a hit with the group.

The speaker at the Oct. 31 meeting

will be R. M. Beatty of Western Adjustment, who always draws a large crowd. Managers' night is Nov. 18 and the speaker will be E. H. Forkel, manager of National Fire and president of Western Underwriters Assn.

President of the examiners' association is H. D. Hendricksen, agency superintendent of Great American.

RECORD ENROLLMENT

The Chicago C.P.C.U. chapter enrolled a record 232 students in its courses given through Illinois Institute of Technology. This enrollment was more than 20% over 1947's high of 190 persons.

The registration was so heavy that it was necessary to turn some prospective students away.

In order to make sure that each student receives the maximum benefit, classes have been limited in size.

As each course is two semesters in length, no additional students can be accepted until the fall of 1949. It may be necessary to require as a prerequisite to certain classes that the student have completed one or more of the five C.P.C.U. examinations.

LITTLE ELECTED A VICE-PRESIDENT

William A. Little has been elected executive vice-president of the McCormick, Beatty, Lamb & Fergus agency of Chicago. Mr. Little has been in the insurance business in the city since 1932 as a broker, for the past 10 years with Fred S. James & Co.

TWO JOIN NORTH ADJUSTMENT

John J. Dunn and R. M. Hughes have joined the Thomas T. North adjustment firm of Chicago.

Mr. Dunn has been with the Chicago office of Employers Mutual of Des Moines. Prior to that he was with the home office claim department of Lumbermen's Mutual Casualty and then had his own adjustment company at Peoria.

Mr. Hughes was with the liability claim department of General Accident from 1934 to 1943, and then was manager of the claim department at Chicago of Manufacturers Casualty.

EXAMINATION REPORT

The Illinois department has published a report of the examination of Home Owners Mutual of Chicago at Dec. 31, 1947 showing assets \$302,997 and surplus \$237,253. Guaranty fund certificates outstanding total \$224,100. Morton Bodfish is chairman, Robert Bodfish, president, and the principal operating officer is Charles E. Clifton, Jr., executive vice-president and secretary. About 40 agencies represent the company.

Premiums earned during 1947 totaled \$22,015, losses incurred, \$11,444, loss adjustment expenses incurred \$1,150, underwriting expenses \$16,567 and loss from underwriting \$7,147.

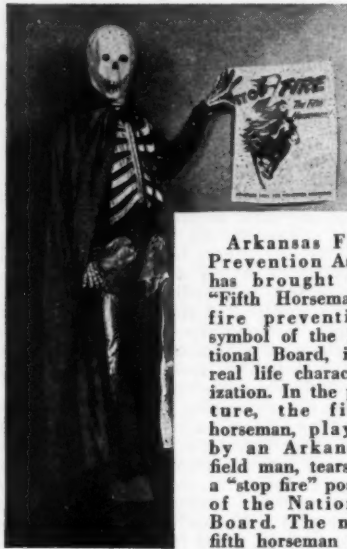
Stewart, Smith (Illinois), representatives of London Lloyds, have been voted into membership of Illinois Surplus Line Brokers Assn.

Study Course for Agents

Concluding a meeting of the educational advisory committee of National Assn. of Insurance Agents, L. P. McCord, Jacksonville, committee chairman, announced a new course for N.A.I.A. members. Committeemen Ernest Young, Charlotte, and Arthur Guest, Philadelphia, attended the meeting.

The course represents a year's work in research and development and is designed to meet the needs of local agent study groups. Supplementary text material is now available for each unit course in addition to group discussion outlines. The standard course now consists of 13 unit courses, ranging from six to 12 hours group discussion time.

Horseman in Ark.



Arkansas Fire Prevention Assn. has brought the "Fifth Horseman," fire prevention symbol of the National Board, into real life characterization. In the picture, the fifth horseman, played by an Arkansas field man, tears at a "stop fire" poster of the National Board. The new fifth horseman impersonation will be

used by the Arkansas association during its town inspections as an adjunct to work of the inspectors. Recently, the association adopted the fifth horseman as part of its permanent insignia. The association opens its first town inspection of 1948-49 next week in El Dorado, Ark.

Five Commissioners Study Improvement of State Laws

LINCOLN, Neb.—Ways of increasing interstate cooperation in the administration of state insurance laws to insure greater efficiency so as to obviate federal regulation, were the principal concerns in a six state regional meeting of the Council of State Governments at Lincoln. Senator C. Petrus Peterson of Nebraska, chairman of the council's interstate insurance committee, presided. Mr. Peterson warned, "If the soft spots in state laws are not plugged, the sweeping tide of federal jurisdiction could engulf many of the police powers of the states." He said that strong state laws can curb expanding federal control.

No official action was taken but recommendations on state regulation will be grouped and forwarded to the meeting at Chicago next month of the full Council of State Governments. The representatives present drew up an insurance compact to present to the full council.

Commissioners attending were Mueller of South Dakota, Stone of Nebraska, Harris of Minnesota, Alexander of Iowa and Sullivan of Kansas. North Dakota was represented by Senators Langley and Conrad.

Plan Iowa "Surprise Party"

Iowa Blue Goose will hold a surprise stag party at Clear Lake, Oct. 14.

The affair will be held annually hereafter, with pond members selecting an Iowa field man each year to honor. The person to be honored will be kept as a surprise, even to the man selected, until the event.

Elmer Warner reported on the grand nest meeting at the pond's weekly luncheon. The Iowa pond will study the proposal to include casualty field men and report later. The pond indicated it would oppose the new proposal for grand nest representation.

Attend Allentown Fair

A number of company field men attended the Allentown, Pa., fair last week as guests of Paul Miers of the William D. Miers agency there. This is an annual, two-day affair, and Mr. Miers has been playing host for a number of years.

Cotton Assn. Makes Coast Field Shifts

Cotton Assn. has increased its staff covering California and Arizona.

A new office has been opened at Fresno in charge of James J. Johnson, special agent. It will be operated under supervision of H. T. Lockridge, state agent supervising California and Arizona, with headquarters at Los Angeles. Mr. Johnson is being transferred from Montgomery, Ala., where he has been special agent for the past two years.

J. S. Wheelers, who has been at the home office for several years, replaces Mr. Johnson at Montgomery.

W. A. Parker, Jr., who has been inspector in Texas and Oklahoma, has been transferred to the Virginia-Carolina territory, with headquarters at Raleigh. George O. Ferguson has been appointed to Mr. Parker's position in Texas. He has been at the home office.

All of the men involved in the changes are veterans of the last war, in which they saw active service.

Correction on Meeting's Character

A story on page 3 of the Sept. 9 issue stated that the governing committee of Interstate Underwriters Board had met and decided to continue with the recommendation to rating organizations of the average plan for writing multiple location risks. This was not the governing committee of the I.U.B., but was an industry committee that is studying the problem to find a solution.

WANT ADS

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NEWS OF FIELD MEN

Honor Evenden on Eve of Departure from Wis. Field

Edwin G. Evenden, special agent in Wisconsin for North America, who is soon returning to the home office in Philadelphia for a new assignment there, was honored at a luncheon given by the Wisconsin Home Nest of Blue Goose at Schroeder Hotel. A. H. Larson, M.L.G., Fireman's Fund, and other members lauded Mr. Evenden's contribution to the fire insurance business during the period he traveled in the Wisconsin field, as well as to the Blue Goose. He is being succeeded in Milwaukee by Hal Fasse of Omaha, who has been in the Nebraska field for the company.

Mr. Larson announced the Wisconsin Home Nest will hold a dinner dance at the Hotel Astor in Milwaukee Dec. 4. Thomas A. Hites, Boston, is chairman of the entertainment committee.

Pick French Lick for 1950 Grand Nest Meeting

According to custom for many years, the opening meeting of Indiana Blue Goose, under the new official setup was held at South Bend in conjunction with the annual meeting of the Northern Indiana puddle. The afternoon was given to golf and the business session followed a dinner. James H. Gibson, American States, elected most loyal gander at the annual meeting in June, presided. Ten candidates were initiated.

George W. Mercier, Hanover, chairman of the special advisory committee, reported that the committee favors holding the 1950 grand nest meeting at French Lick, Ind., the week of Aug. 7. The report was unanimously adopted.

G. N. Schumacher, Hartford, big toad of the Northern Indiana puddle, presided at its annual meeting. Thomas F. Shortall, Emmco, was elected big toad; George C. Schoettle, Western Adjustment, pollywog; Thomas E. Reed, Underwriters Adjusting, croaker, and Warren L. Mickelsen, Royal-Liverpool, bouncer. There are some 30 members of the Indiana pond living in the northern part of the state. The new officers of the puddle were installed by J. Ray Hull, American States, now grand supervisor.

M. L. Schneider Wins Ill. Blue Goose Golf Crown

Winner of the Illinois Blue Goose state golf championship is Melvin L. Schneider, Crum & Forster. R. H. Erickson, Chicago general agent, took second place, and W. J. Rothfuss, independent adjuster of Decatur, was third.

The contest was in connection with the annual outing of the Champaign Agents Assn. Besides the golf tournament there was a picnic, a dinner and other sporting activities.

McBride Is Tenn. State Agent

Harry W. McBride has been appointed Tennessee state agent for National Fire succeeding W. P. Huffman, who will relinquish supervision of Tennessee and devote his entire time to handling the group's business in Kentucky.

Mr. McBride is a native of Tennessee and was with the Tennessee and Oklahoma Inspection Bureaus, before joining National Fire in 1944 as special agent for Kentucky and Tennessee.

Joins Dubuque at Cleveland

Dubuque F. & M. has appointed W. H. Stredelman state agent at Cleveland with jurisdiction over Ohio and West Virginia. Mr. Stredelman began his insurance career with Iowa Rating Bureau. He later served with the Ar-

kansas Rating Bureau, also as fire prevention engineer for Union Pacific and was special agent and engineer for General of Seattle in Ohio.

Alamo Pond Honors Veterans

The Alamo Blue Goose, San Antonio presented a 25-year pin to Charles Pearson, state agent of Fidelity & Guaranty, a charter member of the pond. P. L. McIntosh, retired special agent of Hartford Fire, was voted a life membership. Don Caldwell reported on the grand nest meeting.

Phillips Gives P. R. Report

T. Ray Phillips, America Fore, Oklahoma representative at the public relations meeting at Chicago Sept. 14, will report on it to Oklahoma Fire Underwriters Assn. Oct. 4.

Thomas Succeeds Hackney

Fireman's Fund has appointed Samuel P. Thomas special agent in Alabama, succeeding W. H. Hackney, resigned. Mr. Thomas is a native of Alabama and a graduate of the University of Alabama. During the recent war he served in the army, spending 33 months overseas and was discharged with the rank of first lieutenant.

Wolaver Ind. Special Agent

Edwin J. Wolaver will assist State Agent George W. Mercier as special agent for Hanover Fire in Indiana. Mr. Wolaver previously was state agent in northeastern Indiana for Royal-Liverpool. He is a graduate of Illinois Institute of Technology, having studied fire protection engineering. He was an officer in the navy where his work was largely along fire protection engineering lines.

To Inspect New Jersey Town

New Jersey Insurance Fieldman's Assn. held its first meeting of the fall at Newark with about 60 members present. The brief business session included a discussion of plans for inspection of Nutley Oct. 6-7 by the New Jersey Fire Prevention Assn.

Springfield Puddle to Have Dance

The Springfield puddle of Illinois Blue Goose will hold a dinner dance on the roof garden of the Elks Club, Oct. 30. All members of the pond are invited and reservations can be made through Lloyd J. Eppler, Loyalty Group, Springfield.

A. M. Best Co. Elects Three New Officers

Alfred M. Best Co. has announced the election of three new officers, and two managerial appointments.

Walter H. Brockhaven, formerly sales manager, was elected vice-president in charge of sales. Joseph P. Byrne was elected vice-president in charge of reporting and annual insurance publications of the fire and marine, casualty and surety, and life departments. Chester M. Kellogg, formerly managing editor of Best's "Fire & Casualty News," becomes vice-president in charge of all Best's insurance magazines.

Andrew J. Gavey was appointed man-

ager of the combined fire and casualty departments, while John F. Guilfoyle becomes manager of the life department and editor of all life publications.

Mr. Byrne's entire career has been with the Best company. He joined the firm in 1919, having majored in economics at New York University.

Mr. Brockhaven joined the company in 1924, and has been sales manager since 1925. After completing his education at New York University, his early business experience included reportorial work with the Hearst papers and sales work for the American Printing Co. He is a vice-president and director of Flitcraft.

Mr. Kellogg joined the Best company in 1929. He is a graduate of Dartmouth.

Mr. Gavey started in insurance as assistant actuary for Hartford Accident. He joined Best in 1927 as manager of the casualty department. He is a gradu-

ate of the University of Michigan.

Mr. Guilfoyle joined Best in 1928. He was educated at Pace Institute. He has been assistant manager of the fire department.

Women Hear Aviation Talk

Robert E. Gross, former officer in the naval air corps and now special representative of the Chicago aviation department of Royal Liverpool, spoke on aviation insurance before Cincinnati Assn. of Insurance Women.

He dealt with the types of insurance generally provided by aviation companies, forms of policies and comparisons of coverage. Mr. Gross advised that there is no mystery to aviation insurance, that it is very simple in its application and can be compared to many forms of automobile insurance that are now available. A question and answer period was conducted after the talk.

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EDITORIAL COMMENT

Investing in the Future

One of the sound investments the insurance industry can make in its future today is in people. The business as a whole recognizes this, and there is considerable effort and money being spent on education and development of young men.

However, the idea seems to appeal especially to agencies. Many of them think the best way to prepare for the possible hard times ahead is to build a staff of producers and skilled employees that will have the experience and skill, the patience and loyalty to survive an economic storm when it comes.

In addition to hiring new people, how can an agency invest in people? By paying a little better than the ordinary salary for a little better than ordinary performance; by declaration of bonuses when they are justified; and, where there is a loyal, intelligent, cohesive working force, by profit sharing plans. Another way is to hire good men and

spend some time in developing them now when money is easy and taxes are high. They will be ready to lend a hand when times are not so good.

Another way is to encourage their employees to become qualified producers and pay them a share of the commissions on business they sell. These agents are realizing real benefits from the increased efficiency and interest with which they function. A judicious use of a day off for exceptionally good performance is found by agents to be effective in maintaining top morale and increasing loyalty and efficiency. The "payment" doesn't always have to be in money.

Perhaps many agents are so interested in this phase of their operations because they suffered the effects of poor personnel during and since the war and have been pinned down to detail when they should be free to do what they are equipped to do best, the building of accounts.

Common Courtesy for Speakers

We have championed the cause of the audience from time to time in these columns, but we think there is a word to be said for speakers at conventions and the somewhat cavalier manner in which they are treated by convention attenders. It is too bad that a speaker, as usually he must, has to start off a morning or afternoon program speaking to a half empty hall. During the course of his remarks the stragglers come sauntering in after a late breakfast, a late lunch or an early drink, to take their seats in squeaky chairs.

But the other day we heard the story of what will have to do as the ultimate in discourtesy until we hear a worse one. A speaker took a railroad train and spent several hours going 230 miles to appear before an agents' organization. There had been no offer in advance to defray the expenses of the trip, although this speaker is in considerable demand and not only knows his business but is very able at discussing it.

When he arrived, rather late, there was no one at the station to meet him. He took a taxi to the hotel (at his own expense) and asked for a room. No reservation had been made for him, and it took some time to get accommodations. After he had cleaned up, there was still no word from the organization before which he was to appear. He asked the hotel manager how he could reach the hall in which the meeting was to be held. He took a taxi (again at his own expense) and went to the meeting. He made his talk. No one offered to drive him back to his hotel. No offer was ever made to pay any of his expenses. He declined to testify as to whether he had to pay for his own dinner.

Not all speakers are of uniformly high quality, but even the worst speaker (of which type this speaker was not a representative) is entitled to common courtesy. The golden rule should not be ignored.

Unusual Times

A reinsurance man made an unusual complaint the other day. He said: "Life is getting too easy, it is losing excitement. We've done about all we can do to put our house in order, and today things are running along smoothly.

There isn't much call for the hard work, fast thinking, and involved negotiations that used to be required to keep things moving. We have adjusted commissions where they were unreasonably low, the size of lines has been cut down

and new lines added to give us the largest spread we can get with the amount of business that we are able to absorb. Nowadays our job is simply to keep an eye on things and hope that losses aren't too frightful."

For the executives of reinsurers who were seasoned by the tough times of the 1930s, the placid order of events today

eliminates much of the zest of the business. There is plenty of detail to handle, but turning down business is not an exciting way for a good reinsurance man to spend his time. It is another indication of how unlike anything that went before, today's conditions in the insurance business are. A man gets soft without a little of the unexpected.

PERSONAL SIDE OF THE BUSINESS

J. M. Kidd, deputy U. S. manager of Norwich Union, will spend several weeks on the west coast after attending the National Assn. of Insurance Agents meeting in Chicago.

Harold V. Smith, president of Home, is gradually regaining his strength from a severe and prolonged bout with virus pneumonia. He was stricken while vacationing at White Sulphur Springs, W. Va., and he required the attention for several weeks of a corps of doctors and nurses.

Last week **Robert E. Dineen** marked his fifth anniversary as insurance superintendent of New York.

Harry E. McClain, Indianapolis, executive secretary Indiana Assn. of Insurance Agents, became a grandfather for the second time. Sarah Elizabeth is the new daughter of his son, William, who is a law student at Indiana University.

Judge Clarence F. Merrell, prominent Indianapolis insurance attorney, returned recently from Germany where he has served as a member of the U. S. military tribunal. For the past year Judge Merrell has been participating as a member of the tribunal which tried the high officials of "I. G. Farben," the German worldwide chemical concern.

After a short vacation, Judge Merrell will resume the practice of insurance law at Indianapolis.

Irving R. Zerzan, president of Omaha Insurance Agency, is recovering after having undergone an operation for removal of a brain tumor.

John F. Luehs, New Jersey state agent for the Meserole group, will celebrate his 25th anniversary with the group Oct. 9. He is a past president of New Jersey Special Agents Assn.

The officers of the Camden Fire honored **Charles W. Makin**, executive vice-president and secretary, with a dinner in celebration of his 40th anniversary with the company. Mr. Makin is the second oldest employee from point of service. He was presented a clock.

DEATHS

John H. Baker, 68, retired executive of Virginia F. & M. died. He joined the company in 1902 as a clerk in the home office, rising later to special agent. For a time, he was executive special agent. At the time of his retirement two years ago he was assistant secretary of the company.

Charles E. Lindsay, 50, president of Simmonds, House & Lindsay agency, Knoxville, with which he had been associated for 25 years, died of a heart

attack. He was a graduate of University of Tennessee, and an aviator in both wars.

Herbert B. Tarrt, Sr., 50, local agent at Houston, died after a brief illness. He had lived there since infancy.

Chester W. Loomis, 50, insurance manager for Fred B. Mitchell Co., San Diego, died as the result of a heart attack. He had been injured in an automobile accident and was making a good recovery when fatally stricken. He was one of the active leaders in the San Diego puddle of California Blue Goose.

L. M. Waitt, 75, president of Rose Hill (Kan.) State Bank, former head of an agency there now operated by his son, George H. Waitt, died at Wichita following a lingering illness.

Harley Tilton Wilkin, aged 61, of Wilkin & Wilkin agency, Hillsboro, Ohio, died.

Frank E. Brock, 59, an independent adjuster, died at his home at Cleveland.

Claude K. Pettingill, 76, of the Pettingill & Freisinger agency, prominent in business and civic affairs at La Crosse, Wis., died after a short illness.

Orvie L. Morse, 67, Lincoln agent for 23 years, died after a prolonged illness. Born in Kenney, Ill., he lived in Des Moines, Ia., before coming to Lincoln.

Mrs. Louise Kueter, 59, Elmhurst, Ill., wife of Paul J. Kueter, of the firm of Kueter & Olson, prominent Chicago independent adjusters, died Monday in Elmhurst Memorial Hospital. She leaves her husband and a daughter, Mrs. Grace Keane. Burial was in Concordia Cemetery Wednesday.

N. J. OK's North Am. Plan

The interim plan for handling multiple location risks that was filed by North America has been approved by the New Jersey department. The filings of Pearl and the various stock companies that propose simply to average the specific rates are still pending.

The New Jersey department requested North America to set up its records so as to be able to furnish the department with experience figures for this class of business. North America has now secured approval of its interim filing in 31 states.

Smith Gets Fulton in S. D.

E. W. Smith Co., Sioux Falls general agency, has been appointed South Dakota general agent for Fulton Fire, including the combination automobile underwriting arrangement with New Amsterdam Casualty.

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Dineen Addresses C.P.C.U. Society

(CONTINUED FROM PAGE 1)

Sommer, executive secretary of Planet, said the present membership of C.P.C.U. is '196 and the number will doubtless exceed 200 before the end of the year. He declared that there are 211 holders of the designation and 54 have been added during the year. He traced this growth from six members of 1943, pointing out that there are now nine local chapters and two state groups, New Jersey and Connecticut, in process of formation.

Mr. Sommer praised the members for their willingness to assume roles as teachers in the various programs of the society. In 1948, 764 persons participated in 1,149 examinations in 35 states, the District of Columbia and Hawaii. He pointed out that the flunk ratio was higher in 1948 than ever before, 41% having failed examinations. He expressed himself as upset over the trend and charged the members engaged in teaching to improve this ratio by discouraging those who are unprepared to attempt the examination.

It was announced that the slate of the nominating committee had been endorsed unanimously by mail ballot which means that the same officers will be retained for the coming year. New directors added are Guy E. Mann, Aetna Casualty, Washington, D. C., and T. Parker Lowe, resident vice-president at Los Angeles of Anchor Casualty.



R. F. Sommer

The officers, in addition to President Sommer, are: Vice-president, F. Harman, Chegwidden, vice-president of Camden Fire; secretary-treasurer, Charles Worley, field assistant at Philadelphia for Zurich.

The meeting opened with a well attended all-day seminar upon cost accounting for insurance. Presiding was Richard E. Farrer, educational director National Assn. of Insurance Agents. Speakers were Edward E. Evans, Cleveland, vice-president Lenihan & Co.; L. Ray Ringer, educational director Aetna; H. W. Mullins, Chicago, agency superintendent National Fire; Scott Kidd of the accounting division of Standard of Detroit, and George Gibson, Kentucky state agent London & Lancashire.

Little Attention to Cost Accounting

Mr. Evans pointed out that comparatively little attention has been paid to cost accounting as related to fire and casualty insurance and that he had been unable to find a single article in accounting journals upon the subject. He explained the purposes of cost accounting in manufacturing, and indicated that there were some parallels with what could be done in insurance, but that they are not exact. Losses in insurance, for instance, correspond roughly to raw materials in manufacturing, but they are not known or controllable to the same extent as raw material costs.

Mr. Ringer made a point by point analysis of regulation 30 of the New York department which relates to uniform classification of expenses for insurance carriers other than life and which becomes effective January 1. He explained the detail in which it is expected allocation of expense will be required.

Mr. Mullins sketched the probable effects of regulation 30 upon companies and indicated that, while it will involve in the beginning considerably more work upon the part of the carriers, it should eventually have the effect of making possible proper comparisons between companies. He held that one possibility is the effect it will have in the revamping of some traditional operating methods in the business which are due for an overhauling.

E. C. Changes Made in New England

Changes in extended coverage in the New England states include reinstatement of E. C. 3 for superior risks, which was abolished at the end of 1947, to include the E. C. perils and sprinkler leakage at new low rates, retroactive to Jan. 1. The new E. C. 3 rates are higher than for the old NCI but much lower than the rates for the E. C. 4 form for superior risks which has been used since last March. The new E. C. 3 has a \$250 deductible for all perils. There is a \$50 deductible applicable to the windstorm section of E. C. 4. Dwellings now take a \$50 deductible, and rates for the deductible are 50% less in Maine than the old full cover rate, and 10% less in Massachusetts and Rhode Island with the cost remaining the same in Connecticut. The filing of the dwelling deductible in New Hampshire and Vermont has not yet been approved, but calls for lower rates in Vermont and about the same rates in New Hampshire. The dwelling deductible of \$50 is optional but the cost for full cover is 3 cents more on most risks and 1 cent on fire-resistive. In addition, insured pays an additional \$5 minimum premium for the deductible deletion, this to be added to the \$7.50 minimum premium for the fire policy and the \$1 for the E. C. No. 4—\$13.50 minimum to get the full cover.

The Suffolk-Middlesex group of Massachusetts Assn. of Insurance Women will open the fall season with a dinner Oct. 5. Albin J. Bjorklund, supervisor of the engineering department of the Employers group, will speak on "Insurance Safety Engineering."

Mid West Preventionists' Annual Record Scanned

Western Actuarial Bureau has published in booklet form the record of activity of the state fire prevention associations in 20 middle western states.



R. E. Vernor

During the year the associations took part in 77 town inspections and some 20,000 compliances were made with recommendations for improvement. At these inspections 377 addresses were made to a total of about 110,000 school children and 77 talks to 11,400 adults. The association manpower working at these inspections was 1,956.

The campaigns continue to be effective and the work is much appreciated by the public.

Most of the associations also engage in other activities such as promotional programs for fire prevention week, giving addresses before various groups along with radio broadcasts and promotion of inter-chamber fire waste contest.

Richard E. Vernor, manager of the W.A.B. fire prevention department, made 70 addresses to a combined audience of 21,341. H. K. Rogers, chief instructor, gave 72 addresses to 26,650 and Emmett T. Cox, field officer, gave 164 addresses to an audience of 15,106. The largest number of town inspections were conducted in Indiana, Ohio and Missouri—nine each.

Ohio Rejects Pearl Rating Plan; Bureau Filing O.K.d

(CONTINUED FROM PAGE 1)

provide for debits alone, but only in certain cases. The Pearl plan makes no provision for establishing a debit for catastrophe losses, and thus they would in part have to be borne by the policyholders who do not enjoy the advantages of an interstate plan.

The letter concludes by noting that there appears to be a tendency to confuse rating plans for fire insurance with those for the casualty lines. In the fire business, mercantile risks are rated under a schedule which attempts equitably to apportion the cost of insurance among individual risks. Rates produced by these schedules are commensurate with the hazard existing in the individual risk and not with the hazards existing in the class as a whole. This must be compared with the casualty rating structure where rates generally are constructed by the classification method. This has led to the adoption of casualty experience rating plans and schedule rating plans. However, the reasons for such treatment are missing from the fire rate structure and no attempt is made to rate on a class basis. The statistics presently available are not sufficient to justify the present filed rating schedule, and the department would be inclined to disapprove superimposition of an experience rating plan on the fire rating structure.

Des Moines Club Elects

DES MOINES—Glenn A. Brady, special agent of American Surety was elected president of Des Moines Casualty & Surety Club at the annual meeting. He had been filling out the unexpired term of James Tierney, who recently was transferred to Kansas City.

Will A. Allen, Massachusetts Bonding, was named first vice-president; William B. Strobbridge, Fidelity & Deposit, second vice-president, and Jack Wheaton, New Amsterdam Casualty, secretary.

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1850

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Iowa Agents to Have All New Officers

(CONTINUED FROM PAGE 6)

at the Iowa meeting.

Mr. Giberson outlined his agency's credit rules which have during the past two years cut credit losses for the agency to less than \$10 total.

The Giberson agency finances many policies through the local bank. This shifts part of the expense of collections to another institution, and the experience with the technique has been good. Every account in the office is credit rated and the agency does not sell to clients whose credit ratings are poor except on a cash basis.

Customers are notified well in advance of expirations. By doing this, many renewal orders and payments are received 30 to 45 days prior to the date the policies are due. Mr. Giberson said the agency has educated more than 3,000 policyholders to this system. On the first day of the month, frequently 90 to 95% of the business for that month is issued and delivered.

As a precautionary step, when an order is placed by a new client with questionable credit, the agency holds this policy in the office until it is fully paid for. For the few customers under temporary financial strain, the agency will take an occasional note to cover the account.

Mr. Giberson presented additional pointers in agency management, asking his audience if they acknowledge all renewal orders and new business? Follow up loss cases? Follow up outstanding binders?

He said the best selling technique his office has developed for new business is a printed proposal form set up as a brochure. A carefully compiled insurance proposal adds prestige and helps eliminate misunderstanding. It enables a prospect to visualize what he is buying.

Mr. Giberson said that a mimeograph proposal form cuts selling time and gives the effect of a personalized proposal. On automobile, they eliminate most of the arguments between the agents and the policyholders as to cost and coverage sold.

In his address before the Iowa association, William P. Welsh, president of the National association, brought forth a strong plea for development of leadership in trade association work among insurance men at state and national level. Such leadership is the bulwark for the future of the American agency system, he said. It constitutes a safeguard for the future of organization links and for a united front in the public interest and for good business. A continued and high degree of interest in state associations must be maintained, he declared to develop leadership of the highest type.

The National association can only draw on the manpower that has been developed in the states. Power in the

state organization flows from the individual agencies through the local board, Mr. Welsh said.

Today there is a challenge of new phases and readjustments in the business. Agents are going to be tested many times. These tests deserve men of high caliber serving in behalf of the agents, he emphasized.

Perfect Program for Mutual Conferences in St. Paul

Percy Bugbee, general manager of National Fire Protection Assn., will be the principal speaker at the annual convention of the Federation of Mutual Fire Insurance Companies, Oct. 11-13, at St. Paul. Meeting simultaneously will be the Mutual Insurance Advertising-Sales Conference and the National Assn. of Mutual Insurance Companies.

On the federation program, E. J. Brookhart, secretary of National Mutual, will present his presidential report. Other addresses will concern the activities of the fire safety committee headed by R. D. McDaniel, vice-president Grain Dealers National Mutual Fire.

On the opening day, there will be a joint meeting of the three organizations on theme of cutting costs through effective personnel selections. Participants will include L. T. Ackerman, dean of the University of Connecticut school of business; Robert G. Bernreuter, professor of psychology Pennsylvania State College; Jack Klein, president of the Klein Institute for Aptitude Testing, New York City; H. A. Kern, vice-president, Central Manufacturers Mutual and H. J. Schwartz, Chicago manager for Liberty Mutual.

There will be an exhibit of more than 3,000 examples of advertising entered by mutual companies competing for awards in fifteen classes of the Mutual Insurance Advertising-Sales Conference. The advertisers will open the second day of the meeting with an analysis of reasons for advertising in the present market by Charles W. Allen, Northwestern University. C. R. Bishop, public relations man for Lumbermen's Mutual Casualty, will outline methods of encouraging salesmen and agents to make effective use of company advertising material. Both talks will be followed by discussions. Amos Neyhart, head of the Institute of Public Safety in Pennsylvania State College will speak at the advertising-sales luncheon.

On the third day the relations between sales and advertising departments will be discussed by S. F. Staples, vice-president Employers Mutuals of Wausau; Russell Davis, Lumbermen's Mutual of Mansfield; Bennett L. Moore, vice-president Liberty Mutual, and Paul W. Purmort, secretary Central Manufacturers Mutual. Final speaker will be Len K. Sharp, vice-president Mill Owners Mutual Fire, who will analyze future trends in advertising and selling.

Vermont Agents Elect G. W. Buck

George W. Buck of Bennington is the new president of Vermont Assn. of Insurance Agents. He was elected at the annual meeting at Basin Harbor last week, to succeed Charles G. Taylor, Bradford.

Chief item of business was a vote to instruct delegates to the National association convention at Chicago to favor any proposal to give N.A.I.A. authority to discuss commissions with company representatives. Object of the vote was to give N.A.I.A. power to discuss the "going rate" of commissions on a given line, but leave actual agreement in each case to private contract between agent and company.

The association also voted to continue efforts to secure separation of the Vermont department of banking and insurance with a separate insurance commissioner.

Richard Hubbard, Middlebury, who was last year chairman of the executive committee, was elected to succeed Mr. Buck as vice-president. C. Prescott Hoffman, Battleboro, is the new executive committee chairman, and W. Mayo Lynde, Barre, was named to the executive committee.

Preston H. Hadley, Bellows Falls, was reelected state director, Edward F. Pike, Rutland, was reelected secretary.

Agents' Visit to Fire Chiefs Set for Oct. 8

Local agents across the country will observe their annual visit to local fire chiefs Friday, Oct. 8, at 10 a. m., according to plans perfected by West Shell, Cincinnati, chairman N.A.I.A. fire prevention committee. The day and hour chosen is the anniversary date of the Chicago fire, and the event marks the third annual observance of the community meeting of fire prevention leaders.

The purpose of the event, which was the idea of Jay W. Stevens of the National Board and secretary of International Assn. of Fire Chiefs, is to strengthen the attack of all elements in the community enlisted in the fire prevention battle. Local chambers of commerce and fire waste council representatives are joining in this delegation.

Insurance Women of Madison, Wis., started a new year of monthly dinner meeting activities. Miss Helen Griesbach, new president, announced committee appointments and activities planned.

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Personal Glimpses at W.U.A. Parley

Russell D. Hobbs, manager of Western Actuarial Bureau, and Mrs. Hobbs are going on to Williamsburg for a visit from the Western Underwriters Assn. meeting at White Sulphur Springs. The W. U. A. meetings have been a jinx in the past for the Hobbs. At the Swampscott meeting last April Mr. Hobbs was taken ill and had to leave early for Chicago where he immediately underwent an operation. Mrs. Hobbs became ill at a previous meeting. This time the jinx was broken. The Hobbs have just moved back to the city for the winter. During the summer they have a suite at Olympia Fields Golf Club, where Mrs. Hobbs stays most of the time and Mr. Hobbs commutes. Sept. 24 was Mr. Hobbs birthday and in the diner Mrs. E. D. Lawson affixed an orchid to his lapel and the crowd serenaded him with the birthday song, none of which disturbed Mr. Hobbs' aplomb.

Frank C. Beasley, Pacific coast manager of Phoenix of Hartford, is attending the meeting. He stopped off at Chicago to take part in a field men's meeting conducted by Urban Lelli, head of the production department at Chicago, and from White Sulphur is going on to Hartford.

I. C. Faber, Chicago manager of National Union, and Mrs. Faber motored to White Sulphur for a short vacation trip. Mr. Faber is not a W. U. A. member, but he has many friends in the group whose measure he undertook to take at golf.

C. E. Estabrook, president of North Wisconsin Insurance Agency of Rhinelander, Wis., is mingling with company friends at White Sulphur. He is flying to London Oct. 6 on an insurance mission.

The Home delegation at White Sulphur, consisting of Ivan Escott, Leonard Peterson, D. H. Moore, and R. E. Minner, was shocked Saturday morning to get word of the sudden death of R. E. Van Vranken, vice-president and secretary of Home on the inactive list. They had just had luncheon with Mr. Van Vranken the previous day at an officers' gathering, the latter having come in for the occasion from his home at Orange, N. J. They were advised that Mr. Van Vranken had died on his way home. Mr. Van Vranken had undergone a serious operation about a year and a half ago, but he pitched in to handle strenuous duties earlier this year in connection with the merger of the Home fleet fire companies into a single unit.

Harold P. Jackson, president of Bankers Indemnity, attended his first W. U. A. gathering. His executive duties cross into the fire insurance field with the American group. He was introduced to the fire insurance fraternity by Bert Jochen, vice-president of American at the head office; John P. Young, Jr., western manager, and John McFarland, assistant western manager. He was accompanied by Mrs. Jackson. They will be back at the Greenbrier in November for the big casualty company agency convention and there the Jacksons will need no introductions.

Mr. Beasley is a former Minnesota field man. He has been on the coast nine years.

A. L. Kirkpatrick, insurance department manager of U. S. Chamber of Commerce, motored to White Sulphur for the W. U. A. meeting. He is going on to Chicago for the meetings next week of National Assn. of Insurance Agents and American Life Convention.

Richard Magner of the Meeker, Magner agency of Chicago was vacationing at the Greenbrier and he was greeting company friends in the W. U. A. group.



West Shell

Snapped at White Sulphur Meeting



Attending the Western Underwriters Assn. midyear convention. From left: H. A. Clark, vice-president of Firemen's and chairman of the western branch of Factory Insurance Assn.; H. L. Grider, western general manager of F.I.A.; R. E. Minner, vice-president of Home; Howard Omsberg, assistant western branch secretary of National Automobile Underwriters Assn.

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Sales Slants for TDB Coverage Highlight Meeting

New Jersey Agents Elect Madara, Munz to High Positions

By DONALD J. REAP

ASBURY PARK—The who, why, what, when, where and how of the state's newly enacted temporary disability benefits law shoved all other issues to the sidelines at the annual meeting of New Jersey Assn. of Insurance Agents here. Interest in the law which goes into effect Jan. 1 is at a peak and representatives of life and casualty companies that are going to write the business were kept busy into the small



C. J. Gough



Alfred C. Sinn

hours answering questions. The commission wrangle with the fire companies and interstate underwriting problems were only mentioned.

During the presidential report of Alfred C. Sinn, Clifton, the successful legislative activity of the association on the assigned risk law changes and the T.D.B. law were reported on. Membership in the association has now reached 1,200.

Get Down to Business

John C. Stott, vice-president National Assn. of Insurance Agents, addressing his 29th state convention, decried the unnecessary effort and correspondence involving agencies and companies caused by errors in daily reports. Because of

OFFICERS ELECTED

President—J. Clarence Madara, Camden.
Chairman executive committee—H. Earl Munz, Passaic.
State national director—C. H. Frank-
enbach, Westfield.
Secretary—Arthur L. Zimmerman,
Newark.
Executive secretary—Charles J. Un-
ger, Newark.

the high percentage of errors in rating risks, revealed in a recent survey conducted by the Eastern Underwriters Assn., an estimated \$300,000 a year is wasted. He expressed the hope that the entire industry would soon find itself able to stop worrying about laws, get down to business, and get something done.

He praised National Bureau of Casualty Underwriters for its cooperation with agents and wished, "we had it from all companies."

Company pressure for commission reductions is off but not ended, J. J.

N.A.I.C. Move May Hold Up FTC Trade Practice Conference

WASHINGTON — The decision of insurance commissioners at Chicago to appoint a committee to confer with federal trade commission officials on mail order regulatory problems means a delay of weeks in the decision on holding a FTC trade practice conference for mail order insurers, officials here believe.

The FTC group handling preparatory mail order work is ready to confer with a N.A.I.C. committee, but understands the commissioners want to study the trade practice conference angle before conferring with FTC.

FTC has received a letter from Commissioner Allyn suggesting that N.A.I.C. send a committee here to confer, but no date was suggested. The proposed meeting of the two groups may not occur for six weeks or more, officials say. They are not surprised at the commissioners' reaction, indicating an attitude of wariness toward FTC.

The FTC group concerned, after meeting with the N.A.I.C. committee, is expected to make a recommendation on holding a trade practice conference. While Wendell Berge, counsel for Insurance Advertisers Assn., is confident the conference will be held, FTC sources say the commission has adopted no policy on that matter and that it might possibly be decided such a conference would do no good, or might even do harm.

Commissioner Allyn said at Hartford this week that his plans for a conference with FTC are not yet complete.

Smick, associated with the consulting actuarial firm of Woodward & Fondiller, New York, stated. Retained by the association last winter, he urged agents to send in their cost analysis reports so that they would have figures to back up their commission arguments if the issue recurs when the 1948 annual statements are in.

J. J. Dickerson, newly appointed New Jersey commissioner, was honored at an industry sponsored cocktail party. At the banquet Chris A. Gough, deputy commissioner, was presented a fine luggage set commemorating his 55th year with the department. Speaking briefly at the banquet, Commissioner Dickerson pledged the cooperation of his department and expressed the hope that the "conference" companies would find a way to help alleviate the market shortage faced by bus operators in the state. Attendance at some of the sessions ran as high as 450.

Producers in the state can earn approximately \$5 million in commissions by the end of the year through writing T.D.B., Irvin C. Jones, New Jersey group manager for Connecticut General Life, advised at a forum moderated by John C. Conklin, Hackensack. He urged the producers to sell the business before it falls into the state fund, pointing out that the companies can operate more economically, have the know-how, and provide superior claim service.

The companies are going all out to help producers write the business and are anxious to help sell the coverage and will help agents with statistics, specially trained field advisers, and sales suggestions. Predicting that the T.D.B. sales efforts will develop into a "rat race" among the companies, he urged producers to get down to business immediately and solicit every one of their compensation insured, who must carry the coverage, as well as selling it on a welfare basis to those businesses not under the compensation act.

Immediate action is necessary, Mr.

(CONTINUED ON PAGE 24)

H. & A. Conference Plans Underwriting Forum for Oct. 17

Questions covering all phases of A. & H. underwriting will be taken up at Hotel La Salle, Chicago, Oct. 19, at an underwriting forum of Health & Accident Underwriters Conference. The underwriting committee of the conference will have charge of the sessions, and D. B. Alport, assistant secretary of Business Men's Assurance, is chairman.

Topics for discussion include current practices regarding underwriting of hospital policies, accident and medical reimbursement, monthly indemnity limits, examinations, and waivers. A case clinic will be held, during which out of the ordinary underwriting problems will be presented, and probable solutions talked over.

Questions to be brought up are: To what extent do you inspect hospitalization, limited coverage plans? What underwriting is necessary and what experience have you had with accident only medical reimbursements in amounts of \$500 and up? Do you write A. & H. for housewives? Is there a trend for general revision of monthly indemnity maximums upward, especially in cases covering professional men? How far back and how extensively do companies go after information on "routine and physical checkups" answers on the applications? What is the practice on applications for seasonal laborers? What are the practices in connection with new applicants having a medical history of heart disease, diabetes, cancer and rheumatic fever?

Safety Engineers to Award Three Life Memberships

Society of Casualty & Safety Engineers of Chicago at its meeting Oct. 8 will award life memberships to three retired members. They are Jack Wilson, former chief engineer of General Accident at Chicago; J. C. Bradley of Zurich, one of the founders of the organization, and Norwood D. Smith, former chief engineer of Employers Liability at Chicago.

Two movies will be shown on prime movers and construction. George MacDonald, National Safety Council, is president.

At a meeting of the executive committee last Friday, there was a discussion of questions to be put to President Truman at his industrial safety conference this week. Arthur Graham of Bituminous Casualty represented his company and the association at the conference.

White Sulphur Reservations

National Assn. of Casualty & Surety Agents has announced that there is still time for agents to join the organization and make reservations for the annual joint convention at White Sulphur Springs, W. Va., Nov. 11-13, with the International Assn. of Casualty & Surety Underwriters. The association has not been able to contact all qualified agencies and points out that some territories have not yet been covered. Further information is available at the association's office at 79 John street, New York 7.

Plan White Plains Move

American Mutual Liability will transfer its entire eastern office from New York City to White Plains on March 1. The New York office, with over 100 personnel, and the branch office will occupy space in the building now under construction at Martine Avenue and South Broadway.

Remove Some Frills from Pen and Pencil Set Policy

Charge 30% for Unattended Auto Cover in Theft Contract

The National Bureau of Casualty Underwriters has announced a revision of the residence and outside theft policy, effective Oct. 4 in all states except Texas. The changes in that state will become effective Dec. 1.

Following the broadening of the policy in 1943, the increase in crime plus inflated property values combined to produce alarming increase in the number and amount of losses paid under the policy. Despite subsequent rate increases, the loss ratio continued far in excess of permissible. In the belief that further rate increases would be impracticable, the nature of the losses was studied in an effort to arrive at some basis for limiting the coverage without destroying the value of the policy.

Popular Misconception

Much evidence, the bureau states, was apparent to support a popular misconception that the policy was intended to cover mere disappearance losses without reasonable evidence of theft, notwithstanding the fact that the policy is named a "theft" policy and that the insuring agreements limit the indemnity to loss caused by theft or attempt thereat. The tests and studies also revealed the most serious situation to be centered about the losses occurring away from the premises, with a substantial amount, both in number and value, due to loss of property from unattended automobiles. Furthermore, claims were made for gems or precious stones lost from pieces of jewelry due to faulty workmanship or other causes not criminal in nature and not contemplated in the coverage. Other troublesome points were the cost of claims resulting from loss of property while in the custody or possession of laundries, cleaners, dyers, tailors or pressers, and the fact that the theft away from premises coverage applied blanket to all property regardless of whether such property was actually insured within the premises.

In order to bring about an equitable correction in view of these findings the coverage on all property unattended in automobiles, motorcycles and trailers, other than public conveyances, has been excluded, with the option of restoring such coverage for an additional premium of about 30% if desired. By this arrangement, only those policyholders desiring such coverage will be required to pay an additional premium.

Bailee Cover Limited

Other changes have been made limiting the coverage on property in the custody or possession of laundries, cleaners, dyers, tailors and pressers to loss caused by burglary or robbery at their place of business, and by further restricting the coverage available away from the premises to the kind of property actually insured within the premises. The amount of such outside coverage may not exceed the amounts insured within the premises. There is no coverage while in the mail or in charge of a carrier for hire. The definition of theft in the policy has also been clarified by the addition of a clause specifically

(CONTINUED ON PAGE 24)

left: H. A.
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Companies Get Ready to Write TDB Line in N. J.

About 35,000 employers representing approximately \$30 million in annual premium volume have become potential prospects for the sale of private temporary disability plans in New Jersey. It is estimated that there are 1½ million employees who will come under the act, in groups of four or more. Group writing companies are gearing up to write as much of the business as they can get. One reason group life companies are eager to get TDB business is to protect the group they have outstanding.

Sees Similar Laws in All States

One company executive expects that temporary disability laws will be passed in all 48 states. Nevada, Washington, and Oregon are expected to pass such legislation in the coming year. Indiana and Illinois have turned down such bills, but new ones will be introduced. If all the states acquire disability legislation it would give coverage amounting to \$1½ billion in premiums nationwide, based on a \$20 premium on 60 million jobs.

One reason management of those companies active in New Jersey regard their efforts there as more than of one-state importance is that they believe similar legislation is certain in other states, and New Jersey will be a laboratory for testing methods and procedures.

Machinery Being Set Up

A number of preparations are being made by companies to obtain new TDB business. One large life company is developing a full time salaried organization for the field. This department will have a geographic breakdown into regional managers, associate regional sales managers, and district managers. They will assist the agent as salaried specialists and make the second call on the prospect with the agent, when a plan will

be outlined and explained. The agent will receive the commission.

The casualty companies are setting up separate departments in the home offices and assigning to them the group A. & H. personnel that they have. The casualty companies' main efforts to obtain group sales will be made through their present agents, to whom they are offering special training. They expect to have to furnish a minimum of help from the home office.

Life Company Procedure

The life companies are taking agents who have shown an interest in group sales and giving them training on TDB. One company establishes the agent in its service department where he receives training and administrative work on existing group accounts. From this spot he is promoted to the group sales department where further training in group sales is given him. Following this he is assigned to a field office and there does TDB along with other group.

A training technique being used is the agency meeting at which a man who has specialized in group disability benefits outlines the solicitation, presentation, and follow-up procedure. Some of these specialists have studied the operation of the California law there.

Two day classes in selected agencies are also being experimented with as a method of training by one life company.

Many "Apps" Being Filed

Large numbers of applications already are being filed with the unemployment compensation commission, for action after the regulations are issued. Assn. of Casualty & Surety Companies, American Life Convention, American Mutual Alliance, Bureau of A. & H. Underwriters, H. & A. Underwriters Confer-

ence, Life Insurance Assn. of America, and Life Insurers Conference have been conferring with the New Jersey commissioner on the regulations.

Promotional literature is being distributed to both employers and agents by the companies. The usual piece for the employer outlines in brief what the TDB act is, sets out the benefits available and the limitations. The cost to the employers and employees is also shown. Following this is an outline of a private plan being offered by the company. The same items are covered. Also private plans showing greater coverage and advantages are outlined. With these, at a little more cost, the employer can provide increased benefits to his employees.

Literature to Employers, Agents

The literature going to agents and brokers is primarily for information and guidance. This material covers the historical background of the TDB law, gives the laws of the other states having similar plans, presents a statement of the New Jersey law, defines covered employees and sets down the excepted classes. What is necessary under a private plan is set forth, and what benefits and limitations that are found in the state plan is discussed.

One company expects to spend little time in writing new employers immediately but will turn its attention first to changing and modifying group plans now in effect to include TDB. This company has set up an office to do this alone. Later it expects to write complete group insurance plans, of which TDB will be a part.

Commission Scale

Most life companies will pay the regular group graded scale of commissions to all producers, 20% of collected premiums for the first year and 5% on renewal premiums. Some companies plan to pay the 5% renewal commission for as long as the plan is renewed. Or as an alternative a level scale usually used by casualty companies varying from 7½ to 10% of collected premiums will be available. In California the latter has found favor with agents in view of the income tax paid if the 20% is paid in the first year that the business is on the books.

For the casualty companies TDB is something new. There can be little or no underwriting selection. If a class is eliminated proof must be given the state that adverse selection has not been made against the state fund. Also, the problem of industrial hazard found in compensation is not present. Casualty companies also expect to collect premiums direct and allocate the commission after the collection. Handling of disability benefits business is being streamlined, because the profit margin will be narrow. The casualty insurers will make claim payments weekly, and they hope to be able to send checks direct to the employer. It is expected the same procedure will be followed by the life companies.

One company executive expects a further amendment to the New Jersey law to allow coverage for one or more employees.

Virginia Charge Dismissed

A charge of conducting a mail order insurance business in Virginia without proper authority, brought against Guarantee Reserve Life of Hammond, Ind., was dismissed by the Virginia corporation commission upon receipt of information that it is now licensed in that state.

The company was convicted in federal court in Indiana some time ago of improper use of the mails.

Capitol Life in Conference

Capitol Life of Denver has become a member of H. & A. Underwriters Conference. G. A. L'Estrange, who is now vice-president and agency director of that company is a member of the conference executive committee.

Many Insurance Men Attend President's Safety Congress

WASHINGTON—At the President's conference on industrial safety, insurance industry representatives were busy on various committees.

The committee on engineering, to which Herman Behr, Lumbermen's Mutual, and Frank J. Crandell, Liberty Mutual, were assigned, evaluated industrial machinery, allied equipment and safety devices in connection with prevention of industrial accidents. Recommendations included appropriate engineering steps to be taken in the immediate future and those for long-term planning.

Existing industrial safety laws and regulations were considered and analyzed by the committee on laws and regulations, to determine conformity with model codes and ordinances. The committee contemplated expediting of adequate and more uniform industrial safety legislation. E. W. Blanch, assistant secretary of Employers Reinsurance, and W. Dean Keefer, Lumbermen's Mutual, were on this committee.

Most Men on Accident Records

The largest insurance representation was on the committee on accident records, analysis and use. It prepared comprehensive reports on the industrial accident problem as shown by accident statistics. The committee also reviewed the status and recommended adoption of accident reporting systems and collection, analysis and use of uniform accident records.

Invited to serve on the accident committee were Robert Clair, Liberty Mutual; Robert Vane, Metropolitan Life; E. R. Granniss, Eagle-Globe-Royal-Indemnity; H. W. Heinrich, Travelers; M. H. Snell, Hartford Accident; E. C. McFadden, Texas Employers.

Another Metropolitan man, Graham Cole, assistant secretary, was assigned to the education committee, which defined the responsibility of schools, colleges and universities in industrial safety education. Evaluating current safety programs at these levels, it recommended programs and ways and means for adoption universally. Industrial "on the job" training and supervisory instruction were reviewed by this committee, to determine effective means of teaching safety in industry.

Research Committee

The conference committee on research included John V. Grimaldi, director industrial division, Assn. of Casualty & Surety Companies; W. L. Hanau, assistant superintendent engineering department, Fidelity & Casualty, Chicago; Dr. E. G. Meier, Employers Mutual, Milwaukee; Henry T. Herndon, Texas Employers; Lt. Col. R. C. Stratton, Travelers, Hartford.

This committee made recommendations on problems and requirements in research on materials, equipment and structures; "psychological behavioristic accident factors," and "physiological effect of long-term exposure" to industrial hazards.

The 1947 industrial accident toll was figured at \$3.5 millions by conference spokesmen. Besides financial loss, Vincent P. Ahearn, executive director, said industrial accidents last year cost 17,000 lives, caused 2,000,000 injuries, and disabled permanently 91,000 persons.

About 400 representatives of government, management, labor, insurance and other interests concerned with industrial accidents were invited to the conference.

The President was represented by his assistant, John R. Steelman. Other speakers were Secretary of Labor Tobin, former Secretary of Labor Frances Perkins, Carl B. Jansen, Dravo Corp., Pittsburgh; Charles Sattler, president International Assn. of Governmental Labor Officials, Charleston, W. Va.; Rear Admiral R. T. McIntyre, former physician to the President.

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Describe Insurance Needs When Credit Bureau Takes Over

Where a credit adjustment bureau is called in to handle a firm that is in credit difficulties, under trusteeship, receivership, or assignment, it has the responsibility of reviewing immediately the insurance policies involved. It is important that the bureau be included in existing policies as a named insured, Ralph E. Brown of Marsh & McLennan, St. Louis, said at the meeting there of the secretary-managers' conference of National Assn. of Credit Men.

E. A. Luther, vice-president of National Surety, St. Louis, discussed the same topic, and E. B. Moran, manager of the central division of the credit men's group, listed the kinds of insurance important in adjustment bureau cases.

Get Concurrent, Adequate Cover

To preserve the assets of the debtor, any insurance of doubtful value should be retired and the unearned premiums collected, Mr. Brown advised. The next step is to be sure that concurrent, adequate and proper insurance is carried to protect the distressed property. Severe criticism of the bureau would result if a disastrous loss occurred and inadequate or improper coverage were carried.

In addition to fire and extended coverage, Mr. Brown suggested extension of the fire policy to cover vandalism and malicious mischief, and said that sprinkler leakage is very important. He also suggested business interruption if the business is to be continued. Earthquake physical damage and business interruption is essential in certain localities, and he pointed out Missouri suffered a severe earthquake shock in 1812. In earthquake insurance it is important to include the value of underground foundations in the amount.

Other Coverages Recommended

Other coverages he recommended were inland and ocean marine, unearned premium endorsement, steam boiler and machinery, workmen's compensation, comprehensive liability.

Mr. Luther urged consideration be given to fidelity, money and securities broad form, burglary, accounts receivable and plate glass. He cited the case of the cashier of the branch office of a meat packer who started pocketing money he received on collections, covering by transferring funds from the employees' sick benefit association, of which he was treasurer. The loss was \$10,000, the bond \$5,000.

The fastest growing crime today in the U. S. is forgery, he said, and described the depositors' forgery bond. Accounts receivable protection is especially important. Recently a flash fire occurred on the fourth floor of a building. The loss was negligible, but the sprinkler system let go and did a tremendous amount of damage to the papers, files and records of a firm on the first floor.

Dallas Claim Men Sponsor Casualty Adjusters School

Dallas Claim Men's Assn. and Dallas Claim Managers Council are sponsoring a casualty adjusters school starting Oct. 5 for eight consecutive weeks. Classes are held at Crozier Technical High School each Tuesday and Thursday from 6:30 to 9 p. m. The tuition is \$10 for students and enrollment of better than 100 is expected. Chairman of the joint educational committee is W. J. Rellahan, General Adjustment. Instructors include R. C. Albin, Hardware Mutual; Fred T. Porter, attorney; Willard Brown, Massachusetts Bonding; R. B. Lovelace, independent adjuster; J. E. Hall, Jr., Maryland Casualty; Clyde Jensen, Texas Employers; Claude Williams, attorney; P. M. McCulley, General Adjustment; H. J. Brewington,

Lumbermen's Mutual; George Hempel, Travelers; C. H. Rassmussen, General of Seattle; C. F. Holman, Assn. of Casualty & Surety Executives; Thomas H. Lewis, Trinity Universal; John L. Freeze, Employers Mutual of Wausau; Lucial L. Smith, Loyalty group, and A. A. Nowlin, Home Indemnity.

The study covers all casualty adjusting with emphasis on automobile liability, general liability and workmen's compensation. The 40-hour course will be concluded by a final examination and a certificate of merit will go to those who pass. It is hoped that some educational institution will pick up the pro-

ject and incorporate it in its regular curriculum.

L.M.C. Half-Year Record

Lumbermen's Mutual Casualty in the first six months of 1948 had a premium income of \$39,404,072, which compares with \$31,155,483 for the same period in 1947.

Earnings for the six months after federal taxes amounted to \$5,754,745, compared with \$2,674,580 for the first six months of 1947 and \$4,782,544 for the entire year of 1946.

James S. Kemper, chairman, said the improved earnings can be accounted

for largely by rate increases in the automobile division. These rates now more nearly reflect current costs. The compensation division showed an increase of more than 30%, but the report of accidents during the last 90 days evidences a general slowing up of business which presages a reduced premium income in this division and perhaps some leveling off of the inflationary spiral.

New Baltimore Special Agent


Glens Falls Indemnity has named Charles M. Reisenweber special agent out of the Baltimore office. He has been with the company since 1945.

CASUALTY

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European General
Reinsurance Co.
of London, England

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REINSURANCE

UNITED STATES BRANCH: 99 JOHN STREET, NEW YORK 7, NEW YORK

T. L. HAFF, U. S. Manager

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Mutual Institute Is Sellout at St. Paul

ST. PAUL—The fifth Mutual Fire & Casualty Institute was held here the first three days of this week with a capacity enrollment of 300. It followed the successful pattern of its predecessors without change from the announced program.

J. M. Eaton, Chicago, assistant general manager American Mutual Alliance, has been director of the institutes since they began in 1940. Although H. F. Swanson, assistant secretary, and George Haskell, economist of the organization, have played increasingly important roles in planning and executing recent institutes, Mr. Eaton's stamp is still clearly on every program.

The first institutes, at Pittsburgh in 1940 and Charlotte in 1941, considered fire insurance only. When they were resumed at Buffalo and Cedar Rapids last year, casualty was added. Subjects discussed this year include the legal obligations of an agent, standard fire policy, inland marine prospects, automobile medical payments coverage, burglary insurance, letter writing, agency advertising, agency records and salesmanship. The ten lecturers include four insurance company officials, two university professors, two publishers, a bureau executive and a market analyst—about a typical institute.

Two New Vice-Presidents of Massachusetts Bonding

Sid Hoyt, in charge of the contract bond department has been elected a vice-president of Massachusetts Bonding. He is well known in the contract

bond field and for 15 years was vice-president of Fidelity & Deposit, directing its contract bond operations.

Maj. Elmer E. Johnson, Jr., assistant secretary and director of agencies, was elected a vice-president and will continue in charge of the agency department. Major Johnson has had many years experience in agency supervision, having been with Travelers, Great American Indemnity, London & Lancashire Indemnity, and for many years with Massachusetts Bonding.

F.I.A. Advances Three at Chicago

Factory Insurance Assn. has made the following changes in the western regional office, Chicago: A. R. Miller becomes assistant manager in charge of engineering and inspection work. He has been with the F.I.A. in Chicago since 1923, having worked in the drafting, surveying, field inspection and engineering divisions. In 1937 he became engineering supervisor and in 1945 was appointed executive assistant in the engineering and inspection department.

E. J. Sestak becomes chief engineer. A graduate of Washington University in electrical engineering and of Armour Institute, from 1924 to 1941 he was with Missouri Inspection Bureau as rating, sprinkler and special hazards engineer. He went with F.I.A. in 1942 as engineering supervisor of the Chicago territory.

H. E. Muir is appointed chief research engineer, to give full time attention to the work of the F.I.A. engineering council. He has been with F.I.A. for over 25 years, acting as superintendent of engineering in the Chicago office until 1943, when he became chief engineer. Mr. Muir has also acted as chairman of the engineering council and will give particular attention to developing its activities.

Hampton Advanced to Chgo. Post by Phoenix, Hartford

George L. Hampton, Jr., state agent in Kansas for Phoenix of Hartford, has been transferred to Chicago as assistant manager of the Cook county department. He is succeeded in the Kansas field by Nicholas G. Kleber, who has been state agent in Indiana for American. Before the war he traveled Kansas for Royal.

Phoenix has appointed Roderick J. Byrne as special agent in northern Texas. Mr. Byrne has had experience in rating and inspection work in the midwest and during the war was overseas with the army engineers. His headquarters will be in the Irwin-Kesser building, Dallas.

Claude T. Walker Agency of Olympia, Wash., has been purchased by Evee Wentjar and Maurice Follveaag.

Joint Investment Committee Named; to Meet Oct. 14

The joint committee representing all branches of the insurance business, which will study the problem of security valuation, has been appointed and will hold its first meeting in New York City Oct. 14. The meeting was called by President Leroy A. Lincoln of Metropolitan Life, who was authorized last May to form the committee by the subcommittee on valuation of securities of the National Assn. of Insurance Commissioners following his suggestion that the entire question of valuation of insurance company assets should be re-examined.

Representing life, A. & H., fire and casualty, fraternal insurance, and both stock and mutual interests Mr. Lincoln's committee will include D. R. Ackerman, chairman, Great American; S. Bruce Black, president Liberty Mutual; D. E. Bradshaw, finance chairman Woodmen of the World, Omaha; John R. Cooney, president Firemen's; Calvin Fentress, Jr., president Allstate; Joseph E. Fitzsimmons, investment counsellor Modern Woodmen of America; J. M. Haines, U. S. manager London Guarantee & Accident; George L. Harrison, chairman New York Life; J. S. Kemper of the Kemper insurance interests; Adlai H. Rust, vice-president State Farm Automobile group; Paul Rutherford, president Hartford Accident & Indemnity; Miles Scheaffer, secretary United Benefit Life; and Clyde W. Young, president Monarch Life.

Kelly Is New Deputy in South Carolina

Robert Lee Kelly, who has been actuary-examiner in the South Carolina department, has been named deputy commissioner by Governor Thurmond to succeed D. D. Murphy. Mr. Murphy took over as commissioner following the resignation of L. G. Benjamin.

Texas Agents Set '49 Meeting

The 1949 convention of Texas Assn. of Insurance Agents will be held in Houston, May 20-21. The group ended its fiscal year with a paid membership of 1,757, a gain of 98 over the previous year. An operating surplus of \$5,358 for last year will be used to finance the legislative work. An operating budget of \$38,870 has been adopted for this year.

Kenyon in Syracuse Post

America Fore has appointed Albert R. Kenyon as state agent and associate for central New York to work with State Agent George W. Ingalls in the Syracuse office at 300 South Warren street. Mr. Kenyon has been in the engineering office there for many years.

BUCKEYE UNION

means

two strong companies

...strong in their belief in the American Agency System

...strong in prompt settlement of claims

...strong in field service to agents

THE BUCKEYE UNION CASUALTY CO.

Automobile—General Liability—Burglary—Plate Glass
Fidelity and Surety

THE BUCKEYE UNION FIRE INS. CO.

Fire—Allied Lines—Inland Marine

Capital Stock Insurance Companies operating in Ohio,
Indiana, Pennsylvania, Michigan and Kentucky

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AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1947

CAPITAL	\$ 4,000,000.00
Surplus	8,534,246.69
Voluntary Contingency Reserve	750,000.00
Surplus to Policyholders	\$13,284,246.69
Reserve for Losses	9,067,162.48
All Other Liabilities	7,863,979.60
TOTAL ADMITTED ASSETS	\$30,215,388.77

NOTE: Securities carried at \$700,000.00 in the above statement are deposited as required by law.

CASUALTY . FIDELITY . SURETY
Re-Insurance

At the midyear meeting of W.U.A. at White Sulphur from the left: Kent H. Parker, assistant manager of Western Actuarial Bureau; Raymond Waldron, vice-president Detroit F. & M.; Frank L. Ludington, western manager of Atlas, and John H. Smalley of the Chicago law firm of McKinney, Hough & Carlson.



New Aetna Auto Safety Film to Have Premiere at N.A.I.A. Convention

The premiere showing of "Let's Count the Cost," the new sound, color film produced by the motion picture bureau of Aetna Casualty will be held at the Hotel Stevens in Chicago on Oct. 3 at the meeting of National Assn. of Insurance Agents as a preliminary feature to the annual convention.

The film deals with automobile insurance rates and why they have had to be increased several times since the war. The picture explains in a non-technical manner how rates are calculated and set and how the inflationary spiral and the rising number of accidents have combined to force them upward. It concludes with a plea for more careful driving and for support of various safety measures to save lives and money.

Later in the month Aetna agents will have prints of "Let's Count the Cost" available for showings to the general public.

Cantwell Group Chief of Reserve Life of Dallas

Wallace Cantwell has been made vice-president in charge of the group and franchise department of Reserve Life of



WALLACE CANTWELL

Dallas. He was formerly assistant to the president of Great American Reserve of Dallas. He is a past president of Dallas Assn. of A. & H. Underwriters. He has been in the life and A. & H. fields in the southwest for 10 years.

Reserve Life intends aggressively to develop its group and franchise department, specializing in hospitalization and A. & H. coverages.

Gird for St. Louis Meet on Minimum Benefits

Commissioner Downey of California, chairman, has called a meeting of the subcommittee on minimum A. & H. benefits of N.A.I.C. for Oct. 20-22 at St. Louis. The report of the industry committee which has been working on minimum benefits will be heard. Headed by Frank Marryott, Liberty Mutual, the industry committee completed a statement of principles at a meeting in New York this week.

Kemper Receives Award

The Thomas F. Cunningham award for "outstanding service in the cause of inter-American relations" was presented to James S. Kemper, chairman of Lumbermens Mutual Casualty and president of the Inter-American Council of Commerce & Production, at a meeting of the latter organization at Chicago last week.

Mr. Kemper was praised for his promotion of international good-will during his term as president of the United States Chamber of Commerce. He is the second man to receive the award.

Place Wash. Fleet Cover

The Washington state automobile fleet will be insured for bodily injury and property damage coverages for the coming year term in Pioneer Equitable, which is managed in the Pacific North-

west by General Agencies of New York. Pioneer Equitable submitted a low bid of \$43,761. Truck Insurance Exchange was second with \$51,504 and General Casualty, which has been carrying the line the past year, \$57,581. There were no other bidders. Bids were made on the unit basis, subject to adjustment.

Michigan Surety has been admitted to Oklahoma, with Eugene H. Gubser of Tulsa as agent.

Has B.L. P.D. Deductible

Citizens Automobile Insurance Exchange of Salt Lake City, operating in Utah, Idaho and Colorado, has announced a plan under which motorists will assume responsibility for the first \$50 in claims under their public liability and property damage policies. It says this plan will offer drivers an opportunity to comply with Colorado's financial responsibility law at a lower premium than under conventional policies.



When is a Home Not a Home?

WITH furnishings it's a home. Without furnishings it's only a house. And the most modern house would be very uncomfortable to live in if it were completely empty.

That's why it's so shortsighted to insure a house against fire and neglect its contents. In some cases the contents nearly equal the house in value. And scarcely a month passes in the average household without some new possession . . .

clothes, books, furnishings, etc. . . . being added.

Point out these facts to your clients and prospects. Urge them to make an inventory of their possessions—chances are, they'll be amazed at how much it would cost to replace those possessions in event of fire. Remember, nearly everyone—homeowner or apartment dweller—is a prospect for contents fire insurance. So start now to get your share of

this business! It's a real opportunity for extra sales.

P. S. Fire Prevention work as a public service is important these days. The alert insurance man is the logical man to talk Fire Prevention to his clients, civic clubs, Chamber of Commerce and friends. You can help reduce the fire waste in your community, but what is more important you will save lives, too. "Safety begins at home." Write for our Fire Prevention material.



F. & G.

FIDELITY & GUARANTY INSURANCE CORPORATION

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Remember . . . in the time it has taken you to read this advertisement . . . approximately 1½ minutes . . . a fire of known cause has been reported somewhere in the United States.

W.U.A. Meet Fire Insurance Congress

(CONTINUED FROM PAGE 1)

of Oil Association, and he had at his side the manager, Clarence Comegys. C. W. Ohlsen of Sun presided over the Grain Association gathering. Manager Harbin was unable to attend.

President Gives Report

Tuesday morning the first full W. U. A. session was held to hear the president's report and that of the governing committee. Then the forum was converted into a gathering of the subscribers actuarial committee. That evening was the social event of the week—the sumptuous cocktail party with Uniform Printing & Supply Division of Courier Citizen company as hosts.

At the Wednesday morning meeting the standing committees reported and Alvah Small told of activities at Underwriters Laboratories. In the afternoon the committee on order of business held forth and thus they had an opportunity to review all of the committee reports. On this occasion any member has the opportunity to speak out on any subject.

At the final session Thursday morning the committee on order of business is reporting and messages are being heard from E. L. Rickards, western branch secretary of National Automobile Underwriters Assn.; John L. Harding, Springfield F. & M., as president of Underwriters Salvage Co. of Chicago, and Harold Wayne, as manager of Inland Marine Underwriters Assn.

Praises Orderly Adjustment

E. H. Forkel, western manager of National Fire, in his presidential address, spoke with satisfaction of the fact that W. U. A. has been able in orderly fashion to adjust itself to the post-S. E. U. A. decision requirements without sacrificing the broad objects and purposes for which it stands and with the membership remaining almost intact. There has been a firm determination to achieve a sound foundation of cooperative activities and conclusions within the scope of applicable laws.

In this day of rate regulation, he said, there is an inclination on the part of both supervisory authorities and insurers to search for decisions that are in the best interest of public and industry.

Mr. Forkel remarked that the companies are absorbing an unparalleled volume of liability and the capacity is being taxed to the utmost.

Within five years the fire, tornado,

and extended coverage premium income of stock companies in the 15 central western states has risen 80.37% from \$209,635,000 in 1942 to \$378,128,000 in 1947. The company-sponsored adjustment bureaus in this same period have handled fire and allied lines losses representing an increase of 63.07% from 304,451 losses in 1942 to 482,608 in 1947. Dollar losses during this period and extending into 1948 have continued upward to reach the highest dollar total ever recorded. Phenomenal effort is being expended in meeting this situation and in processing the volume of work.

The growth of premium volume has resulted not from any appreciable increase in rates but from the efforts of producers and capacities of companies in meeting the needs of the public on greatly increased values brought about by inflationary conditions and by the great productive activity of industry and of agriculture; also by the offering of broader and improved forms of coverage.

The countrywide average fire rate in 1930 was 88 cents and by 1938 that rate had decreased to 66 cents and to 61 cents in 1942, the last year a countrywide average fire rate figure was available. Since that time there have been some rate increases but it is doubtful whether the average rate has increased to more than the 1938 or 1939 level. The industry has felt fully the impact of higher costs in both the payment of losses and in all operating expenses. The insured's dollar today will buy approximately the same amount of fire insurance that it bought in 1939.

Warns on Agency Balances

Mr. Forkel voiced the belief that the tightening credit market will reflect a more difficult balance condition. No one wants to return to an era in which the collection of agency balances is a prime function of field staffs.

There are reports that some agents are experiencing more resistance to their collection efforts. Companies should consult and counsel with agents in this problem. Those who are old hands at agency management will weather many a rough storm because they recognize that good business practice requires adequate reserves for contingencies of all kinds and not a few agents have long since seen the wisdom of establishing an unearned commission reserve to guard against the expenditure of commissions

prematurely before they are earned.

Such a fund accumulated over a period of years until the account equals the equivalent of one year's total commissions is considered sound. Proper agency management provides that all premiums received by the agent should be deposited into an insurance trust account and that account broken down to reflect a recording in a trust column the company's net premiums and in another column the agency's commissions. Disbursements from the trust account should be to companies, customers, and to the operating account for commissions. The operating account should be separated from the trust account and should be credited with earned commissions less 20% reserve which should be retained in the trust account. This is a recognized formula and one recommended by expert insurance accountants. The commingling of company funds held in trust by the agent with both earned and unearned commissions results in such a confused condition that the stage is set for a distorted evaluation of earnings by the agent and even an over-expenditure of funds.

Laxity Is No Favor

Aside from dishonesty and gross negligence there should be no real reason why company funds should be jeopardized in the agency system. It is no favor to an agent to permit or condone lax balance paying habits.

The payment of balances within 45 days after the close of the month in which business is written is not a stringent requirement.

Mr. Forkel closed with a plea for self-regulation.

Recalls Abandoned Rules

"For a period of 69 years, this association and its predecessor exercised control over its members in respect of rules and regulations created and established by the members as being sound, equitable, and in the best interest of all concerned. Under our revised organic documents certain rules have been eliminated, some of which, such as the classification of agency rule and commission rules, were long considered of great importance and necessity; nevertheless in looking at the situation realistically we got along well without these rules in certain of our states where for years state laws prohibited their application.

"With the revision in our articles of association, constitution, and principles of practice, accomplished before the end of the moratorium, we came into full realization of the true meaning of self-regulation—that of self-control and

self-restraint. We are out from under the parental roof and we must act for ourselves, weighing our actions and our decisions carefully. In my opinion we can look forward to the future with full confidence that good judgment and soundness of principle in the best interests of the public and the industry will prevail among the members of this association."

On the recommendation of the membership committee F. W. Koeckert of Commercial Union and E. W. Hotchkiss of Royal-Liverpool, who have resigned as active members, were elected as honorary members. There are now 242 active members, 32 honorary and 226 companies.

Loss Committee Reports

The committee on cooperation in loss adjustment practices referred to the fact that Western Adjustment reports that in the first half of 1948 the fire losses increased 13,000 in number or 20% over the same period of last year, the automobile losses increased 3,500 in number or 9% and the windstorm losses increased 25,000 in number or 27%. This has taxed the capacity of adjusters.

Windstorm losses now seem to cover a great area. For instance, in Kansas on July 14 there was a driving force of the hurricane type of windstorm. While the destructive force of the twisting winds of the tornado caused greater individual damage, the hurricane type of intensity experienced in Kansas, which attained a speed in excess of 100 miles an hour, caused great damage over many areas because of the hail and rain accompanying it.

There is no greater source of good public relations than well handled adjustments made by competent adjusters. In case of disaster of the character experienced in Kansas and other places, there is a great opportunity to gain the good will of the public and therefore the companies should give the adjusters any assistance they can.

The adjusters are always public relation emissaries. They have been helpful to the companies, the public at large, as well as the agents in tasks that at times have taken more than a normal work day's hours. The adjuster working in cooperation with the agents for the purpose of a satisfactory conclusion of losses, especially in a catastrophe, is bound to create good public relations.

National Board Inquiry

A special committee of the National Board brought in a report confirming that the practice of furnishing agents and brokers with adjusters' reports is prevalent countrywide.

It was developed that in various sections, adjusters are under instructions from many companies to forward closing reports to the agent.

Adjusters find that many of their reports even though directed to the companies or field representatives and marked "confidential" reach the agents or brokers.

Adjusters report criticisms by agents and brokers because of disclosures in their reports in respect of either the property or the insured. Recently one adjuster advises that after handling the losses of a certain agency for a number of years, his services were discontinued because he adhered to the principle that his reports to the company should fairly state all the facts.

Seek to Censor Reports

Adjusters have been asked by agents and brokers to change their reports to the companies.

Adjusters sometimes hesitate to make critical comments in their reports accompanying closing papers fearing the report will be shown to the producing agent or broker.

The efficiency of the adjuster is impaired by such circumstances and it has a tendency to create a wholly improper relationship between the adjuster and the company; further, the company is deprived of information to which it is entitled.

An able and conscientious adjuster would much prefer to have loss assign-

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NATIONAL MUTUAL

INSURANCE COMPANY

Celina, Ohio

Strictly an Agency Company

FOR

ACTION

THAT BRINGS

SATISFACTION

*A Progressive Company
for Aggressive Agents*

FIRE; INLAND MARINE
ALLIED LINES

AFFILIATED
WITH

**The
CELINA MUTUAL
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Celina, Ohio
Automobile and
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*Selling Tools for Any
Selling Task*

With sound Protection
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ments directed by the company, and he does not desire to have competition either for loss handling or for the production of business enter the field of loss adjustments, nor does he wish to be under any restrictions when reporting to his principal.

The committee recommended that the companies ascertain what agents receive adjusters' reports and closing papers in connection with their authority to issue loss drafts; those agents or brokers without draft-writing authority to whom adjusters' reports and closing papers are directed, and what disposition or use is made of these reports or copies thereof.

Also that draft-writing authority to agents be withdrawn; that members be requested to instruct the adjuster or adjusters to transmit all reports and closing papers direct to the company and that the contents of such reports be not disclosed to other than company salaried representatives except upon the authority of a senior executive; that members instruct their executives and field men that adjusters' reports be treated with common-sense discretion and they be warned of the possible hazards resulting from disclosure of this confidential information; that reports of the committee on incendiaryism and arson be held in strict confidence.

Subrogation Improvement

There is continued improvement in subrogation operations. One of the adjustment companies reports that in 1944 it had 1,509 cases of subrogation for fire, inland marine and automobile, involving a loss of \$377,000 with 54% recovery or \$204,000, while in 1947 the number of cases of subrogation increased to 3,572 involving a loss of \$1 million with about 65% recovery or \$649,715. This has helped the companies immeasurably.

There is also continued improvement in the reporting of losses. Through the cooperation of the agents and field men as well as the companies, this important phase of the business has been given wide publicity to the extent that now there is a better understanding of the importance of getting proper notice to the companies, and this is resulting in more efficient service.

Mr. Rickards in his talk scanned the current trend in automobile insurance results and sketched the pattern under which N. A. U. operates in the new day of rate regulation. To emphasize the magnitude of the automobile line, he pointed out that in 1947 there were 37,322,596 automobiles registered in the U. S. and that the auto physical damage premiums of stock fire companies were \$422,200,309. This was 42% of the fire business written by such insurers and it exceeds by \$9 million the combined E. C., inland marine, tornado, sprinkler leakage, and hail on growing crops.

Western Premiums \$140 Million

In W. U. A. territory, auto premiums were \$140,837,676 or one-third of the total. In this territory, he said, there is 41% of the total area of the U. S., 11% of the car registrations and 37% of the cities of more than 5,000 population.

Mr. Rickards referred to the fact that prior to 1947 the loss ratio situation was adverse due to the war, cessation of new car production, increased repair costs, and other elements. N. A. U. A. endeavored to keep up with the mounting collision losses with rate increases until finally a silver lining appeared. The running loss ratio on \$422 million of premiums last year was 39.7. Of course, on an earned basis, the story is different, but the trend was in the right direction.

The speaker emphasized that today every action must be justified with overall statistical experience and N. A. U. A. is well equipped to operate on that basis.

N. A. U. A. has been converted from a regulatory into a purely rating organization. However it is a function of the association to take into account factors contemplating the payment of

commission and the factor used for that purpose is 25%.

N. A. U. A. is now serving member companies and subscribers under its statistical plan to the number of 453. The association is receiving 1,800,000 cards per month in this statistical department and the premiums reported for 1947 amounted to \$453 million. Some 50 men are working day and night in this department. By the first of the year the figures available will be the most complete in history, including experience by defined territories, classes, loss ratios, loss cost, loss frequency, average size of loss and number of units of exposure. A record is kept every three months of experience in each defined territory, as a means of detecting trends. The commissioners have praised the setup highly.

N. A. U. A. is a licensed rating bureau in 41 states, Alaska, Puerto Rico and is an advisory organization for Hawaii. It is licensed in every state in W. U. A. territory except Oklahoma, where the filings are still made by Oklahoma Inspection Bureau. The laws there may be changed at the next session.

Mr. Rickards said N. A. U. A.'s relations with the insurance departments are harmonious and it is in contact with the automobile manufacturers association. He said the insurance business

should not undertake to dictate to the engineering departments of the manufacturers, but he said a design that adversely affects the loss experience will be subjected to appropriate rate treatment.

The speaker offered the advice that the business would be better handled if the agent would divide it among his companies rather than treating it as a "one-company business." When the business is concentrated with one company, the whole account may be shifted to another market if the first insurer balks at taking a big fleet risk, for instance.

Public Relations Report

The public relations committee in its report emphasized the importance of face-to-face contact, and in furtherance of this, the committee is undertaking to inspire and encourage field men to make public addresses, to train them for such work and to provide them with material. In the past six months 41 talks have been made by field men, not counting those made in connection with the fire prevention program. At the recent meeting of public relations chairmen from the various states, there was a demand for more moving pictures and that is being given consideration. A system of news releases to newspapers is being worked out, and also attention

is being given to the idea of getting out specialized releases for various trade publications. Plans are being made for the preparation of employee indoctrination handbooks and for an internal public relations and personnel training seminar at Chicago.

The field men are being solicited to send to headquarters newspaper articles and comment on fire insurance, whether favorable or otherwise.

Correct Histories of Jones and Yoder of Fire Assn.

In the report of promotions in the executive ranks of the Fire Association in the issue of Sept. 16, the backgrounds of S. Blackwell Jones, the new vice-president and Nelson B. Yoder, the new treasurer were transposed.

Mr. Yoder is a graduate of Harvard, 1926, and started with Fire Association in 1945 following service with the war department in contract renegotiation work. For several years he was with Loomis, Sayles & Co., investment counselors, and Central Hanover Bank & Trust Co.

Mr. Jones entered the insurance business in 1922 after graduating at the University of Pennsylvania school of commerce. He joined Fire Association four years later and has been in charge of investments.

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Ohio Field Men Hold Fall Outing

CINCINNATI—The fall outing of field men drew a fine attendance. Following the traditional formula, Monday evening there was an Ohio Blue Goose business meeting and initiation. Meetings of the Ohio field clubs were held Tuesday morning, with the outing and golf tournament that afternoon at Summit Hills Country Club near Covington, Ky.

At the Blue Goose meeting, Wielder W. W. Waters, Ohio Farmers, reported a membership of 548, including 16 initiated at this meeting. H. R. Underwood, Providence Washington, past most loyal gander, gave the admonition to the goslings and C. B. Herrick, Yorkshire, Jackson, Mich., deputy most loyal gander, the charge. J. D. Lecky, Jr., vice-president Ohio Ins. Co., past most loyal gander, reported on the grand nest meeting.

H. F. Albershardt, Western Adjustment, most loyal gander, said a committee representing the field clubs and Blue Goose would decide on the date of the Cleveland meeting, which will be held in the early spring.

New Bill to Clarify Law

The section of the Ohio statutes dealing with company powers will be clarified by a new bill, W. H. Witherspoon, Aetna Fire, chairman special information committee, said in reporting for his committee to Ohio Fire Underwriters Assn. Considerable confusion now exists on this section and the new bill will be "an improvement," he stated. Other possible legislation would permit multiple line underwriting, amendment of the valued policy section, and passage of an agents' qualification bill.

In addition to inspections of New Lexington Oct. 13 and Steubenville Nov. 17, many smaller cities will be inspected and the cooperation of field men is needed, W. B. Hilton, National Union, chairman contact committee, said. He outlined plans for Fire Prevention Week, Oct. 3-9.

Following the report of R. S. Olsen, National Union, chairman public relations committee, it was voted to recommend to W.U.A. the purchase of

projection equipment to assist in carrying on these activities.

Other reports were given by E. G. Jones, North British, for the rules committee; D. C. Morgan, State of Pennsylvania, conference committee, and R. B. Sherman, Northern Assurance, whose mortgage clause committee report was read by Verne Hart, Sun.

G. M. Giles, Springfield, president, appointed memorial committees for S. E. Slupe, Aetna Fire, Columbus, and E. H. Markel, Home, Columbus. T. E. Gorman, Aetna, is chairman of the Slupe memorial and G. W. Wheaton, Agricultural, of the Markel memorial.

Nov. 9 and Dec. 7 were set for the remaining meetings this year.

A golf tournament, baseball game, and dinner were the chief attractions at the outing.

London Guarantee, Phoenix Indemnity Advance Two

H. J. O'Brien has been made assistant manager of the eastern department of London Guarantee and Phoenix Indemnity.

Prior to his present appointment, Mr. O'Brien was assistant secretary in charge of compensation and liability underwriting in the home office. He joined the Phoenix-London group in 1926 in the accounting department. In 1929 he was transferred to underwriting, and in 1944 was appointed superintendent of compensation and liability for London Guarantee and Phoenix Indemnity. He became assistant secretary in 1947.

Ralph R. Sartorius will become superintendent of compensation and liability. He joined Phoenix-London in 1933 as a rating clerk in compensation and liability, and advanced to underwriter. During the war, he served as an army captain in the Pacific.

Clemens N. J. Special Agent

Royal-Liverpool has appointed Harry Clemens special agent in Asbury Park, N. J., where he will be associated with State Agent A. Harrison Brennan. Mr. Clemens began his career with the group in the general cover department. He is a graduate of the group's training course for prospective fire and casualty field men.

DEATHS

R. F. Van Vranken, Veteran Home Executive, Dies

Richard F. Van Vranken, 63, vice-president and secretary of Home, died suddenly Sept. 24. He was taken ill en route to his home in Orange, N. J. He began his career with Home in 1900 at 15, and completed his education in night school at New York University. After experience as a clerk, assistant policy writer, and assistant cashier, in 1906 he transferred to the eastern department as map clerk.

Six years later he was placed in charge of the suburban counter. In 1912 he became special agent in eastern New York and was appointed state agent in that territory several years later. He returned to the home office in 1926 and was made assistant general adjuster. Four years later he was appointed secretary and general adjuster. In 1934 he was elected vice-president and secretary.

In 1919 he was elected a member of the executive committee of Underwriters Assn. of New York State, later becoming president.

Philip W. Downs, 53, president of Downs Insurance Agency, Omaha, died



PHILIP W. DOWNS

after a long illness. He was a past president of Nebraska Assn. of Insurance Agents, and past vice-president of the Omaha association. He served in the navy air corps during the first world war, and started in the insurance field in 1919 with the old Wilcox-Burns Co. of Omaha. In 1920, he went into business for himself.

H. T. Hacht, engineer for Marsh & McLennan, will discuss fire prevention at the meeting of Insurance Buyers of Pittsburgh Oct. 4.

R. D. Hobbs, manager Western Actuarial Bureau; Hayes McKinney of the Chicago law firm of McKinney, Hough & Carlson; M. E. Peterson, secretary of Springfield F. & M., and Roy L. Sellery, manager of Western Adjustment, pictured at the W.U.A. mid-year meeting at White Sulphur, W. Va.



Settle Pittsburgh Hotel Group Fight

The long fight between the Pittsburgh hotel and restaurant workers union, local 237, Pittsburgh Hotel Assn., and Commissioner Malone has been amicably settled.

John Kenny, president of the union, and Col. Edward Gallup, executive secretary of the hotel association, gave full credit for the settlement to Commissioner Malone. After a four-hour conference attended by representatives of several large insurance companies, Martin Segal, New York insurance consultant, and Mark B. Higgins, New York broker, an agreement was reached.

Commissioner Malone approved the issuance of trustee policies to take effect Oct. 15 in addition to the original plan of benefits which included dependent hospitalization and surgical coverage in its program. The entire new program will provide \$1,000 life, \$1,000 accidental death and dismemberment, \$10 a week accident and sickness benefits, \$150 surgical fee benefit, five-day hospitalization, with the same surgical and hospital benefits provided for dependents.

The program will cover 2,200 hotel employees of the eight leading Pittsburgh hotels. The hotels affected are William Penn, Pittsburgher, Roosevelt, Schenley, Fort Pitt, Henry, Keystone and Webster Hall.

The plan will be administered and governed by a board of trustees made up of officers of the union and an advisory committee, consisting of representatives from the hotels named. The plan is similar to the one set up in the New York hotel industry.

It is estimated that premiums will run between \$250,000 and \$300,000 per year. The companies underwriting the plan are Prudential and Equitable Society. Mr. Segal and Mr. Higgins will act as co-brokers.

The union, upon the action taken, is now withdrawing its suit against Commissioner Malone which had been scheduled for reargument in the Dauphin county court in October.

Kitch Now President of Security Mutual Casualty

John R. Kitch has been elected president of Security Mutual Casualty to succeed Joseph R. Fink, who is retiring Oct. 1. William F. Hendricks succeeds Mr. Kitch as vice-president. William J. Zeiter has been elected secretary and also a director to fill the vacancy caused by Mr. Fink's retirement.

Mr. Fink has been with the company since 1918. He served as office and claims manager and was made vice-president and a director in 1941. He was elected president in 1947.

William Sentes, formerly insurance manager for Carnation Co. at Milwaukee and more recently at Seattle, has joined D. K. MacDonald & Co., Seattle insurance brokers.

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ACCIDENT AND HEALTH

Provident L. & A. Writing "Non-Can" Through Brokers

A new and comprehensive line of non-cancellable accident and sickness coverages, supplemented by a wide range of optional hospital-surgical endorsements, has been announced by Provident Life & Accident. Most of the carriers that write non-cancellable restrict such business to their own full-time representatives, but Provident has announced that it will not only accept, but actively solicit high-class brokerage contacts for non-can.

Three Forms Announced

Vice-president James E. Powell's announcement outlines three basic policy forms. All three are recurrent disability contracts and all are non-prorating. The guaranteed monthly income policy (Series GMR) is issued with 100 months accident indemnity (from the 1st day) and 100 months sickness indemnity (from the 31st day). The accident indemnity may be extended to lifetime by endorsement and the policy can be written with other elimination periods (up to 90 days for both accident and sickness) at lower rates. A choice of hospital riders will provide from \$4 to \$7 per day for room and board—payable from the first day to 90 days for any one accident or sickness. In these are also two surgical schedules with maximums of \$150 and \$250 respectively. The policy provides for partial disability from either accident or sickness (following total disability) and house confinement is not required. It contains a 12-month recurrent disability clause.

Optional Coverages Provided

The non-cancellable income policy (Series GPR), a six-month recurrent disability contract, provides two years accident indemnity and one year sickness benefits. Accident benefits can be extended to five years or lifetime and sickness benefits can be extended to two years by endorsement. Elimination periods range from first day to 30 days for accidents and seven to 30 days for sickness. It likewise includes hospital room from \$4 to \$7 daily and surgical schedules of \$150 or \$250, both on optional bases. It also provides for partial disability for accident only. If the loss of two members or sight of both eyes—through either accident or sickness—it pays monthly indemnity for life up to the limit of the policy. Series GPR is written non-medically from age 21 to 55, unless the applicant requests the two years sickness indemnity feature. The guaranteed income accident policy (Series GA) will be issued to provide A. D. & D. and accident indemnity only for five years or lifetime with optional hospital-surgical coverages. This form will be written non-medically.

Can Alcoholic Ever Be Insurable Risk for A. & H.?

Can an alcoholic ever be regarded as an insurable risk for A. & H. insurance, and what effect, if any, would membership in Alcoholics Anonymous have on his insurability? That, in effect, was the question discussed at the September meeting of Home Office H. & A. Underwriters of Chicago, with Thomas Wren, Benefit Assn. of Railway Employees, as discussion leader.

Mr. Wren said that the definitions of an alcoholic vary greatly. Often the alcoholic is identified with the skid row derelict, who has lost everything but the craving for alcohol, but Mr. Wren

said that he may be a business executive or anywhere between the two extremes. Mr. Wren's own definition, on a very simplified basis, was that an alcoholic is a man whose drinking gets him into trouble. The great trouble is that he doesn't realize that he is an alcoholic, the victim of an insidious disease. He gave some case histories from his own knowledge to confirm this thesis, pointing out that there is nearly always a feeling of self-pity and being misunderstood, or that he is just no good.

He reviewed in some detail the work of Alcoholics Anonymous, telling of the basis on which it was formed, its plan of operation, and citing cases where those who have subscribed to its programs have abstained from intoxicants for from two to six years.

Holding that the drinking alcoholic is not a desirable risk for accident and health insurance from any standpoint, Mr. Wren gave as his personal opinion that an alcoholic who has had a record of one year of abstinence is at least as good a risk as some heavy drinkers now on the books, who are at least potential alcoholics, and even better if he is a member of A.A. This was conditioned, of course, on his being in as good health generally as the non-alcoholic. He suggested that in some cases it might be advisable to limit the principal sum and extent of coverage.

It was pointed out that alcoholism is likely to cause damage to the kidneys and heart, and the question was asked as to whether an endorsement excluding such conditions would be acceptable. Mr. Wren said he thought it would.

It was pointed out that there is more danger of damage to the kidneys in the case of the steady drinker than the "binge" type, but the latter will break down sooner because of the fact that he won't eat when he is on a protracted drunk. The greater accident hazard in the case of alcoholics also was mentioned.

Chairmen and secretaries were selected for the entire year. Russell Phillips, Washington National, will have charge of the October meeting, with J. T. Helverson of that company as secretary.

Hutchison New Claim Group Head

William N. Hutchison of New York Life was elected president of International Claim Assn. at the annual meeting at Wernersville, Pa.; Vice-president Ralph Heller of Prudential; secretary Louis L. Graham, Business Men's Assurance, and treasurer F. L. Templeman, Maryland Casualty.

Chairman of the executive committee is John A. Blanchfield of Aetna Life, and the members are Walter E. Trout, Penn Mutual Life, the outgoing president; John W. Ayre, New England Mutual Life; James H. Wainwright, Canada Life; R. Vaughan White, Continental American Life, and Charles J. Haight, Metropolitan Life.

Pa. Labor for UCD Plan

HARRISBURG, PA. — Compulsory state-administered health and accident insurance, to provide workers' benefits on the same basis as unemployment compensation, will be sought in Pennsylvania at the 1949 legislature by the State Federation of Labor (AFL).

Illinois Chamber Sponsors Disability Forum Oct. 7

H. Harold Leavey, vice-president and general counsel, California-Western States Life, will speak on "Compulsory vs. Voluntary Protection Against Waste Loss Due to Disability" as a member of a three-man panel which will discuss unemployment compensation and disability insurance in a special symposium at the annual meeting of the Illinois State Chamber of Commerce in Chicago Oct. 7-8. Other speakers will be Paul F. Corby, personnel manager of Marshall Field & Co., Chicago, and Stanley Rector, Unemployment Benefit Advisors, Washington, D. C.

Martin Renamed in Va.

William W. Martin has been reappointed to the Virginia industrial commission for a term of six years. He was assistant attorney-general of Virginia before going on the commission.

Hill Field Supervisor

Loyal Protective Life has appointed Harry L. Hill field supervisor for Pennsylvania, New York, Maryland, New Jersey and Delaware. He has been gen-

eral agent at Bronxville, N. Y., and previously was field supervisor of Royal-Liverpool group for four years. He also served as field assistant and assistant manager of Travelers for six years.

Warning on Benefit Plans

Commissioner Downey has warned the public of the so-called medical benefit societies operating in southern California. He points out that they have little or no capital and that those called to the attention of the department have offered no services of substantial value. He also says the department cannot prevent people from becoming members but advises the public to purchase such coverages from licensed insurers or Blue Cross, California Physicians Service, etc., all of which are subject to regulation.

Boston Congress Nov. 16

Boston A. & H. Assn. will hold its first fall meeting Oct. 14. A new England sales congress will be held Nov. 16 with Harry C. Hawthorne as chairman.

Fred S. James & Co. has opened a life department at Pittsburgh, headed by C. Guernsey McKay.



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A champion bowler is the picture of co-ordination from the time he or she steps to the line until the ball is racing down the alley for a strike. HAWKEYE-SECURITY and their Agents are a smoothly functioning team . . . all working to build Agents' sales and increase their premium income. Every department of the HAWKEYE-SECURITY companies is co-ordinated to aid Agents . . . to work for them and the "team."

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SURETY

Seaboard Surety Takes Over Contract to Clear Land

Seaboard Surety has taken over the contract of J. J. Reese (R. & S. construction) for clearing 1,335 acres in the vicinity of the dam site at Hungry Horse, Mont. This contract for \$408,320 was awarded in May, 1947, and due to adverse weather the work was delayed. About half of the 840 days allowed for completion of the contract have expired but only 30 per cent of the job has been completed. Seaboard Surety took over when the bureau of reclamation terminated the J. J. Reese contract.

Settle on Embezzlement

Commercial Casualty has made settlement of \$18,000 and U. S. F. & G. \$32,000 in connection with the embezzlement of the late John P. Sheridan, assistant postmaster at Summit, N. J. The

total embezzlement was \$109,271 and the government recovered about \$42,000 from Sheridan before he died.

Send Banks Surety Booklet

"Surety Protection in Banks" is the title of a booklet written by F. A. Amundson, Minnesota commissioner of banks. At the request of the chairman of the Federal Deposit Insurance Corp., a copy is being sent to every bank in the country.

Claim Forum Plans Programs

New York Surety Claim Men's Forum at its first meeting Oct. 7 will outline its season program. One meeting will be a discussion of trends in crime involving personal property. Another one is planned and will review the fidelity and surety court decisions of the year.

The balance of the meetings will be assigned at the drawing Oct. 7.

Wade G. Bounds, Maryland Casualty, heads the planning committee. Other members are Frank J. Byrnes, American Surety; Sidney Moritz, Aetna Casualty, and Walter L. Flynn, National Surety, who is chairman of the forum. Joseph J. Soley, National Surety, is secretary of the forum.

Injury by Falling Over Lump of Coal Comes Under Loading, Unloading Clause

The Virginia supreme court of appeals has held London Guarantee liable, under the loading and unloading clause, for a claim on the part of a woman who was injured when she stumbled and fell over a piece of coal that had been dumped from the insured truck on a sidewalk and was in process of being shoveled into the basement bin of the customer. The case was London Guarantee vs. C. B. White & Bros. C. B. White & Bros., retail coal dealer of Norfolk, was the insured. While delivering coal to Old Dominion Paper Co., a Mrs. Gurganus was injured by falling over a lump of coal on the sidewalk. She sued the coal company and London Guarantee declined to defend. The case was settled for \$613.

The court, in finding that the loss was covered under the loading and unloading clause, stated that the business of delivering coal could not be accomplished by unloading the coal on the street or sidewalk. The assured's contract was to deliver the coal into the bin of the customer. Presumably London Guarantee knew the character of the assured's business. The policy specified that the truck was to be used in that business and it was specified that it was to include unloading. The unloading was not completed until the coal was unloaded in the bin in the basement.

If the lump of coal that caused the accident had been shoveled from the truck, very clearly the policy would have covered the accident even under the "coming to rest" doctrine. It is not logical, therefore, to say that there was no coverage if, instead of shoveling the coal from the truck, it was first dumped from the truck and then shoveled into the manhole. The act of shoveling was not an act separate from and independent of the use of the truck, but a step attached to its use and necessary to accomplish the purpose for which the truck was being used.

The shoveling was an integral part of the unloading process and there is no sound reason for excepting it from the coverage of the policy.

Press Guests of Surety Men

Representatives of the insurance press were guests of Surety Managers Assn. of New York at the Drug & Chemical Club. President E. J. Donegan, Loyalty group, introduced the guests. John Smith of Hartford Accident, who succeeded the late Harry A. Kearney of that company, was welcomed. Me-

morial were read for Mr. Kearney and Spencer Welton of Massachusetts Bonding. The 36th anniversary of Martin Lewis, general manager of Surety Assn. of America, with the industry's rating organization was noted. John P. Madigan, Maryland Casualty, reported for the public relations committee.

Virginia Auto Liability, P. D. Rates Increased 20%

RICHMOND—New rates on automobile liability and property damage in Virginia, effective Nov. 15, represent a 20% increase over former rates and approximately 13% less than the companies asked and apply to both mutual and stock companies. Drivers under 25 will not be placed in a higher rate classification than older drivers. The use of a proposed trend factor to adjust claim frequency and average claim cost to the 1947 calendar year level is also disallowed. A proposal to increase the service charge for automobile installment premiums from 25 cents to 50 cents was rejected.

In their initial petition for a rate increase, the companies asked that liability rates for private passenger cars be increased 24.6% and property damage rates 43.4% to cover increases in claim costs.

The new rates affect basic policies providing for \$5,000/\$10,000 limits.

Petitions of State Farm Mutual Automobile and Farm Bureau Mutual Automobile to deviate from such rates as were fixed by the state corporation commission were granted. These companies asked for a 25% reduction for a special classification of private passenger car rates.

Rates for private livery, public livery and taxicabs were approved as filed by petitioning stock and mutual companies.

Calif. Assn. Hears Coleman Talk on Tort Claims Act

In an address on the tort claims act before the Casualty Insurance Adjusters Assn. of Southern California, Deputy U. S. District Attorney Robert Coleman held that the general laws of California apply in liability cases. The language of the federal tort claims act, he said, is indefinite. For instance, on the question of the insurer's right to intervene in suits filed under the act, one circuit court had ruled in the negative; the question still is pending, however, on the subrogation phase and it has gone to the U. S. Supreme Court.

United States District Attorney James M. Carter accompanied Mr. Coleman and was a guest of the association.

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Company with home office in central Illinois has need of an adjuster in branch office in Davenport, Iowa. This is a one man office and applicant must therefore be capable of working without home office supervision. Prefer man with legal background or with actual claims experience. Write full particulars. Address R-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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COMPENSATION & LIABILITY UNDERWRITER in Chicago office of high grade stock company. Good opportunity. State age, experience and salary expected. Address R-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Highly experienced casualty claims manager. Prefer mid-west or southern territory. A-1 references. Address R-75, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

PERSONALS

Eugene Williams, vice-president in charge of sales activities of Allstate, is on his wedding trip at White Sulphur Springs, W. Va. Mrs. Williams' former home was at Trenton, N. J. They will reside at Winnetka, Ill., where Mr. Williams has maintained his home for some time.

The executive staff of the National Council on Compensation Insurance honored William F. Roebor, general manager, at a dinner marking his 25th anniversary with the organization. He was presented a desk clock on the occasion. Mr. Roebor joined the staff in 1923 after being with the California state compensation insurance fund. For the last 19 years he has been manager. There were six of the staff members present who have been with Mr. Roebor for the entire period of his association.

DEATHS

Edward P. Appgar, 59, of the Brooklyn office of American Surety, died suddenly at Andover, Mass., while on vacation. Mr. Appgar had been with American Surety since 1929 and was widely known in casualty insurance.

Frank D. Stanbury, 41, a senior bond underwriter of Standard Accident, died. He had been with Standard 23 years, starting in the claim department. He specialized in banker's blanket and forgery bonds. He was first taken ill in December of 1947. He returned to work in July, but suffered a relapse a few weeks later.

Chester A. Loomas, former manager at San Francisco for National Automobile Club, who went into a local agency several months ago at San Diego, died from injuries suffered in an automobile accident on Labor Day.

Urges Private TDB Cover in N. J.

The New Jersey Chamber of Commerce in its manual on the temporary disability benefits law in that state being distributed to chamber members, legislators and others, recommends that employers avoid use of the state fund and purchase coverage in private insurers. The manual points out that if a large state fund is developed, it is subject to political pressure and better management-employee relations result from private plans without interference by the state.

WANTED — A JOB

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Extensive knowledge of life, health and accident, automobile and some general casualty lines, well versed in property, and other casualty lines. Extensive legal insurance and corporate problems handled.

EDUCATION:

Bachelor of Business Administration Degree. Bachelor of Letters of Law. Prepared for insurance career by studying all obtainable insurance courses in both law and business schools.

EXPERIENCE:

Several years Home Office as Underwriting Manager, Claims man and Legal counsel.

WOULD BE SUITABLE FOR:

Home Office Underwriting Manager. Claims Manager. Legal Advisor and Counsel. Company Branch Manager. Insurance Manager of large corporation. Coordinator for Company Perplexed with multiple line underwriting problems.

WHY CHANGE:

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PERSONAL DATA:

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Please address R-76, The National Underwriter 175 West Jackson Boulevard, Chicago 4, Illinois.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Personnel of Ohio Agents Lausche Committee

Insurance Agents Lausche for Governor Committee, organized during the meeting of Ohio Assn. of Insurance Agents at Columbus last week, expects to canvass every agent and solicitor in the state by mail. H. M. Turner, Springfield, who resigned as a trustee of the Ohio association to carry on this campaign, is chairman.

The committee at present consists of C. E. Nodler, Portsmouth; E. R. Randall, Greenville; M. R. Bennett, Sidney; J. F. Lauer, Prospect; Donald Jackson, Toledo; Milton Pasco, Sandusky; Ray Miller, Zanesville; C. H. Stambaugh, Continental; William Young, Dayton; A. C. Thomas, Columbus; Sid Lance, Medina; C. W. Arnold, Wellsville; Grace Beck, Toledo, and D. H. Gwilliam, Youngstown, in addition to two life insurance agents, George Hill, Sandusky, and Robert Bowen, Cleveland, who was insurance superintendent under Governor Davey. A few more names are expected to be added. The majority of the committee, including Mr. Turner, are Republicans.

The opposition to Governor Herbert is based on the licensing of General Motors dealers and other acts which the agents regard as detrimental to the insurance business. It is expected that the literature will deal with specific charges.

Kansas Assn. Membership Hits Record High of 497

Membership of Kansas Assn. of Insurance Agents has reached a new high of 497 for its 28 years. Alpha H. Kenna, Topeka, executive manager, feels confident that the goal of 500 will be more than surpassed before the annual convention in Wichita, Oct. 20-22. This is 16 more than the previous high.

President Charles Schoonover, Garden City; Edwin S. Nellis, Topeka, state national director, and Mr. Kenna will represent the association officially at the N.A.I.A. convention. L. T. Stubbs, Monarch Investment Co., Wichita, general chairman of the 1948 Kansas convention, will also attend.

Plans are being completed by the association and the Kansas education and public relations committee of the field men for zone meetings Nov. 8-19. Maurice G. Herndon of the Washington office of N.A.I.A., will participate in the meetings.

President Schoonover has announced that the nominating committee will include Howard Fullington, Wichita, chairman; J. J. Wilcox, Emporia; J. D. Gilmore, Independence; J. C. Cherry, Pittsburg, and W. O. Wanamaker, Topeka.

L. B. Brown, Wichita, heads the resolutions committee with Alex Case, Marion, and Cheney Prouty, Kansas City.

Ohio G. O. P. Convention Urges Stronger License Law

COLUMBUS—The Republican state convention here gave much attention to insurance matters. The state administration was commended for organizing the arson bureau, fire prevention bureau and fire safety committee. It was recommended that legislation be enacted strengthening the laws relating to agents' qualifications and clarifying the statutory definition of licenses according to type. It was urged that the legislature pass an amendment to the law concerning the relicensing of insurance agents and solicitors so as to stagger the ex-

piration dates of the licenses. Strengthening the workmen's compensation act also was urged. The resolutions urged opposition to any act that would lessen the benefits or hamper the administration of the compensation law.

Wichita Agents Hear Storm Office Heads

Gordon Ingebritson, Western Adjustment and A. H. Loesch, Underwriters Adjustment, in charge of Wichita storm offices, were guest speakers at a meeting of Wichita Assn. of Insurance Agents. Mr. Ingebritson praised the Wichita agents and assured for their fine cooperation, and suggested that agents keep careful record of assignments to avoid duplication of effort by adjusters.

Mr. Loesch recited a number of cases of non-concurrence found, especially with reporting forms, and cautioned agents not to use the coinsurance clause to beat down rates but to make certain that values are checked and adequate insurance written to comply with provisions of the clause.

EAST

Boston Assn. Offers Full Educational Schedule

Insurance Library Assn. of Boston will start its educational activities for 1948-49 with a course in fire insurance Oct. 5 through Dec. 14. Wesley G. Angell of General Adjustment Bureau, Harvey C. Abbott of Hartford Fire, S. K. Goodwin of Factory Insurance Assn. and other local specialists will lecture.

On Oct. 7, a course in general insurance principles will start, continuing through Dec. 23, conducted by Arthur H. Clarke, Springfield F. & M. and George E. Loneragan of Employers group. Other courses in casualty insurance, inland marine, suretyship and courses on Massachusetts standard fire policy and allied fire lines will be offered.

Prize funds established by Boston Fireman's Fund, Employers group and Massachusetts Bonding will be awarded to the best students.

Insurance Institute of America has awarded final certificates to Raymond A. Brocklehurst, Jr., executive assistant for Thomas E. Sears; Harriet E. Riley, Massachusetts Bonding, and Julian T. Leonard, insurance adviser and broker.

Middlesex Agents to Meet

PERTH AMBOY—Middlesex County Assn. of Insurance Agents will hold a dinner meeting at Metuchen, N. J., Oct. 20. New officers are: President, Otto Quad; vice-president, John Jensen; secretary, Vernon Brown (reelected).

Plans for Fire Prevention

The Underwriters Board of Rochester, N. Y., in cooperating with the fire prevention committee of the Rochester Safety Council, is heralding an extensive Fire Prevention Week campaign through radio stations, newspapers, theaters, schools, stores, industrial plants. A firefighting demonstration has been arranged preceded by a parade. The event will be popularized by the "fifth horseman."

A fire prevention week luncheon will be held Oct. 7. Speakers will be Thomas W. Ryan, director of safety for the state

of New York, and Forrest H. Witmeyer, president of Excelsior. Both addresses will be over the radio. Presiding at the meeting will be Charles Mowris, board vice-president.

N. E. Mutual Agents Elect

BOSTON—At the annual meeting here of Mutual Insurance Agents Assn. of New England, these officers were elected: President, William G. Street, Dedham, Mass.; vice-president, William J. Watson, Providence; regional vice-presidents: Connecticut, William J. Burton, Woodbury; New Hampshire, Haven E. Flanders, Laconia; Rhode Island, Frank J. Beede, Providence; state directors: Connecticut, Philip H. Crandon, Stratford; New Hampshire, Francis P. Kean, Manchester; Vermont, Daniel J. Branon, Newport. All other officers were reelected.

SOUTH

Insurance Is Key to Credit, Harris Tells Credit Group

That insurance is the keystone to the credit foundation was the theme of B. Felix Harris, past president of Dallas Insurance Agents Assn., who spoke before the bankers and insurance group Southwest Credit Conference at San Antonio.

The Texas constitution prohibits, he pointed out, political sub-units from contributing public money to any individual, association or corporation. He recommended that credit men insist on insurance in a capitalized stock company as such policies have no contingent liability to the buyer either in the way of premiums or excessive losses.

He said that he knew a Texas law said a mutual company might issue a policy without a contingent premium only while it has a surplus equal to the capital required of a domestic stock insurance company transacting the same kind of insurance.

Commissioners Treat Hail and Wind Deduction

At a hearing before the Texas board of insurance commissioners, Commissioner Hall presiding, the matter of changing the deductible clause on hail and windstorm policies was discussed. Agents from the coastal region urged that the clause be retained as mandatory. The suggestion was made that it might be well to eliminate damage from wind driven rain, and in answer to the question whether this would increase the available coverage in the coastal region, Col. Wm. Thompson, National Board, Dallas, said that this might be.

Operators of rice driers made a plea for lower rates on the basis that dust is at a minimum due to special handling. Colonel Thompson expressed the view that the rice men may be entitled to some relief if experience justifies. He would have chicken hatcheries operated in dwellings take the commercial rating, and opposed practically all the other changes which had been suggested.

Benson to Fla. General Agency of Hardin & Co.

Stewart Benson has become connected with the George W. Hardin & Co., general agents of Jacksonville, as a member of the firm. He has traveled the state many years and resigned as special agent of the Brundick & Bowles general agency to make this new connection.

COAST

Waller Succeeds Lamping as Seattle Manager

Kelly Waller has succeeded Sam G. Lamping, who has retired as manager of General's metropolitan department at Seattle. Mr. Waller joined the organization in 1940 as manager of the Houston service office. He was transferred to the home office in 1941, and later was claims manager at Spokane and Denver. During the war he was with the army air forces as a pilot. Upon being honorably discharged, he established General's aviation department and in June, 1947, was named assistant to the superintendent of production, a post he has held until his recent promotion.

Merge Royal-Liverpool Fire, Casualty Offices

SAN FRANCISCO—City offices here of the Royal-Liverpool fire and casualty companies are being combined under one manager. John Longwill, long city manager for the fire companies, will retire from active service the end of this year. C. L. Larson, who has been assistant manager of the fire companies, has been named manager for the new joint office of all the companies. A. L. Royer, for several years in charge of city casualty business, and C. F. Rafael, former state agent in charge of the fire companies in the San Francisco-East Bay territory, become assistants to Mr. Larson. Mr. Longwill remains in an advisory capacity until the official retirement date.

Establish Vancouver Office

Swett & Crawford have established an office at Vancouver, B. C., with Roy Newman in charge. Mr. Newman has been with the Los Angeles office as underwriter, special agent and adjuster for 16 years.

John Downs has joined Swett & Crawford's marine department at Seattle.

J. Glenn McMacken, Jr. has resigned as special agent in charge of the Spokane office to become manager of the Spokane insurance department of Murphy-Favre Co.

Roberts Agency Has Picnic

While the thermometer hit 104 degrees, 29 San Francisco, Los Angeles, and Fresno company officials joined the Roberts agency, Bakersfield, in celebrating its annual picnic in Hart Memorial Park. The outing featured a buffet picnic dinner, sports events, and audience participation entertainment.

Hosts for the event were R. A. Roberts, Ivan I. Roberts, Noel E. Roberts, Ferneley I. Roberts, and Earl D. Bender, officials of the Roberts agency.

G. A. B. Transfers Trio

General Adjustment has transferred Robert W. Ripley, branch manager at Vallejo, Cal., to Salinas in the same capacity. W. H. Daily of Salinas has been transferred to the adjusting staff at Sacramento. George K. Bolt has been shifted from Phoenix, Ariz., to the senior staff at San Francisco.

Calif. Agents Hear Benson

Manager E. L. Benson of the marine department of Automobile spoke before San Fernando Valley Agents Assn. on "Ocean Marine Insurance."

I. M. Stark, formerly with the Real Estate Exchange at Bellingham, Wash., has established his own agency there.

OREGON AGENTS ELECT SMITH

(CONTINUED FROM PAGE 2)

Haerle, Portland, was toastmaster. Mr. Welsh installed the new officers and received a desk set as a memento of his visit.

Mr. Welsh stressed the importance of local board placement programs, particularly in an election year. "We are devoting a whole session to it at the national convention in Chicago," he said, "bringing in leaders from all sections, so that we may exchange experience in this important phase in our business. We want to get the overall picture of the best procedures available and put them together for use by all of our local boards. At present we have over 750 local boards engaged in municipal placement programs."

Drew Lawrence, Great American, announced a schedule of educational meetings to start in October.

Oregon Automobile and Oregon Mutual Fire were hosts at a luncheon at which President Arthur M. Eppstein of Oregon Automobile paid tribute to the founders and leaders of the association. Charles Walker of Northwestern school of commerce stressed the importance of preparing young people for activities in later life.

Other speakers on the closing session were R. J. Layton of "Rough Notes," talking on office management, and Jay W. Stevens, National Board, fire prevention.

The convention ended with a cocktail party, sponsored by the Oregon Assn. of Insurance General Agents, a banquet and dance.

Asks Competitive W.C. Law

A forceful address asking agents support a new workmen's compensation law in Oregon, abolishing the monopolistic state fund, was delivered by A. M. Schoenfeldt, manager at Portland for Employers Mutual Liability.

To the statement that private companies would put the state fund out of business, Mr. Schoenfeldt said that could not happen unless the state blunders so in its operations that it cannot compete. He mentioned that in New York state the state fund had premiums of \$37 million last year and its nearest competitor \$15 million. In California, the state fund in 1947 wrote \$22 million in premiums, the closest competitor \$10 million.

Mr. Schoenfeldt asked the agents to use their home town influence in the promotion of a new Oregon compensation law. A small group cannot carry the load, and aid should be enlisted on every hand. The company support can be had if the agents will decide what companies they will use for their compensation risks and let them know that they are interested. Companies can help through their associations or on a direct basis.

Calls for Bigger P.R. Efforts

The insurance business has a three-fold job ahead if it is to retain public confidence and continue as a private enterprise, H. F. Badger, executive secretary of the Pacific Board, declared in his address before the Oregon agents.

Mr. Badger said that the industry must convince the public that it is doing and can continue to do a better insuring job than the government; it must clarify the confusion arising from the application of the anti-trust laws to insurance and secure remedial action; and it must make an all-out effort to safeguard life and property against fire by means of education and compliance with fire prevention requirements.

Mr. Badger said application of the Sherman act as a remedy for the alleged ills of the insurance business is most inappropriate. As a consequence much confusion and uncertainty has been created, particularly as regards interstate business. The assured are becoming dissatisfied because of new restrictions and complications. A sympathetic public can assist greatly in the industry's efforts to bring about a correction

of the present unhappy situation.

Homer J. Helmstein, group A. & H. supervisor of Associated Indemnity, San Francisco, said in his talk that the success of the unemployment compensation disability act in California will encourage other states to follow a similar pattern. Labor groups are spearheading its cause and the program is high on the agenda of the 1948 meeting of the Washington legislature. There is a good possibility that the Oregon federation of labor will sponsor a bill this year.

Industry cannot let compulsory insurance take over in other fields of group insurance such as group hospital, medical and surgical, he said. Since the entry of casualty companies into the field, benefits have been substantially increased and the growth of those coverages has been tremendous.

He warned that the industry cannot rest with the assumption that all states will incorporate voluntary plan provisions. Rhode Island is a sample of what can happen and preparation must be made from an agency and company level to be familiar enough with the subject to cope with it when it arises.

P. M. Lively of the Portland general agency of Bates, Lively & Pearson, in his talk before the Oregon agents outlined a program of customer development by which the agent can rate his customers according to the amount of business they produce and then concentrate his activities on the portion of his policyholders providing the largest percentage of premium income.

Mr. Lively mentioned that surveys have shown that about 75% of the typical agent's customers provide less than \$10 apiece per year in commission, while about 5% pay him more than \$25 apiece annually. About 60% of an agent's working time is taken in servicing the first group and only 10% on the profitable group.

He suggested that customers be rated A, B, and C according to their value to the agent. Sales efforts with present customers will be confined largely to the best class. In order to develop those customers, the agent must reduce the time consumed in handling the C class customers. A system should be adopted whereby handling of lesser accounts would be delegated largely to the secretary without referring to the agent. He said that of this group, the agent could eliminate personal delivery of renewal policies except in rare cases; he need not dictate personal letters to be mailed out with renewals; a properly worded form letter or memo individually typed would suffice. Credit should not be extended to that class. Commission income could be increased by automatically adding extended coverage to all fire policies and medical payments on automobiles. Where rules permit, renewal policies could be made for three or five year terms. This will enable the agent to divide the small margin of profit from the lesser accounts.

This program has been worked by agents in many territories. Mr. Lively said that in one office the agent had 1,500 customers and by using such a program reduced his customers to approximately 800 and doubled his commission income.

The class C accounts also offer an opportunity for selling additional lines. An agent in Boston solicited this group by telephone and sold more than 100 residence theft policies. Another agent reported 80% of his new business using the plan was in the sale of additional lines to present customers.

Safety Holiday at Wichita

Robert E. Israel, head of the Israel & Son agency, as mayor of Wichita, has issued a proclamation setting Sept. 30 as an official "safety holiday." There will be a huge public parade with commercial and industrial firms, civic bodies, schools and others entering floats. Wichita schools will be dismissed for the day.

Sales Slants Given on TDB Coverage

(CONTINUED FROM PAGE 13)

Conklin said. He told the producers that if they waited until December state officials will be so flooded with applications that they will be unable to act and the business might fall into the state fund.

Telling the producers that they will be faced with stiff competition by the state fund, in which labor union organizations throughout the state are urging their members to ask for coverage, Seward H. Jacobi, executive director of Milk Dealers' Assn. of Northern New Jersey, urged the producers to go out and sell the best proposal their companies would let them offer. He reviewed the history of the legislation and the experience in Rhode Island and California and said that it was proof that the companies can write the business better than the state fund. Employers can keep their taxes down by privately insuring, he pointed out.

A question and answer session on various angles of the new law concluded the forum.

Activities of the newly organized New Jersey Fire Prevention Assn. were outlined by C. A. Fortman, Fireman's Fund, Newark.

Bertha Lawrence, dean of the New Jersey State College for Teachers, was an excellent choice as luncheon speaker, and she got a standing ovation from everyone present for her humorous and sound talk on the values and uses of education.

Frank C. Colridge, executive secretary of N.A.I.A., installed the new officers and in the concluding ceremony the William J. Wilson cup for the county association doing the best work during the year went to the Camden association, with Mercer placing second.

Ball and Van Patter Open Cleveland Adjustment Firm

Oscar R. Ball and H. W. Van Patter are the principals in a new adjustment firm at Cleveland. The firm will handle fire, windstorm and inland marine claims for the companies, under the name of Ball-Van Patter.

Mr. Ball for the past 5½ years has



O. R. Ball



H. W. Van Patter

operated an independent adjustment office at Cleveland and for 18 years before that was with Western Adjustment at St. Louis and Cleveland.

Mr. Van Patter is a lawyer and for 13 years was with the legal and claim departments of the New York Central railway. For the past 21 years he has been with Western Adjustment at Cleveland, most recently as general adjuster there.

Seek Bonds on U. N. Building

NEW YORK—The surety people are interested in getting bonds required on the United Nations \$65 million building project in New York City, and it is understood that the ground clearing contract was bonded. It is anticipated that the other jobs will be bonded as the work progresses.

Cut Pen and Pencil Set Policy Frills

(CONTINUED FROM PAGE 13)

excluding loss of a precious or semiprecious stone from its setting in any watch or piece of jewelry, unless a reasonable presumption of theft can be demonstrated, the wording being "mysterious disappearance of any insured property, except a precious or semiprecious stone from its setting in any watch or piece of jewelry, shall be presumed to be due to theft."

Owing to particularly unsatisfactory experience, theft away from premises rate increases were mandatory for New York county and New Jersey, except Bergen, Essex, Hudson and Passaic counties.

Burglary Manual Revised

Concurrent with the revision of policy, the National Bureau announces a complete revision of the burglary insurance manual and the burglary manual endorsement supplement. The outstanding change is the adoption of state territorial pages which contain the rate territory for each territorially rated policy similar to the state rate pages for other casualty manuals. This will eliminate the necessity for promulgating rule and rate changes on postal cards and should facilitate the prompt distribution of future changes.

Numerous editorial changes have been made and the more important substantive changes include separate coverage B rates in the residence rate tables for including or excluding coverage in automobiles; new short rate cancellation tables in all sections of the manual; considerable additional classification titles to facilitate the rating of open stock insurance; open stock theft endorsement rules and rates; transfer of special coverage policies to the miscellaneous section of the manual, and the inclusion of many rules and rates formerly contained in the supplement to the manual of burglary, theft and robbery insurance.

Forbes to Canada Meeting

LANSING, MICH.—Commissioner Forbes of Michigan for the first time is planning to attend the annual convention at Victoria, B. C., Oct. 11-13 of Assn. of Superintendents of Insurance of Canada.

The commissioner said that, since Michigan is port of entry for Canadian carriers licensed in the United States, the Dominion commissioners long have sought his attendance at their sessions. Several provincial commissioners have attended meetings of N. A. I. C. in this country, he noted. Mr. Forbes will seek to familiarize himself to a greater extent with Dominion supervisory methods and policies.

On his way home, the Michigan commissioner will attend the meeting of Zone 4 of N. A. I. C. at Minneapolis Oct. 15-16, called recently by Harris of Minnesota, zone chairman.

At the first dinner meeting of the season of Insurance Women of New Jersey James Bollinger, of C. W. Bollinger Co., spoke on cash sickness benefits.



Snapped by Deputy U. S. Manager Harry H. Fuller of Zurich at the annual meeting of Illinois Assn. of Insurance Agents. Left to right: Robert D. Hodson, superintendent of casualty sales of Zurich; Walter M. Sheldon, W. A. Alexander, Chicago, a member of the executive committee of the National Association, and Donald K. Weiser, manager at Chicago of Aetna Casualty.

Pencil rills

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IN COOPERATION WITH FIRE PREVENTION WEEK
The message below appears in a two-page Employers' Group advertisement in the October 4th issue of TIME
and the October issue of the AMERICAN HOME



An Urgent Letter to 145,000,000 Americans

The EMPLOYERS' GROUP

INSURANCE COMPANIES OF BOSTON

ONE LIBERTY SQUARE, BOSTON 7, MASSACHUSETTS



The EMPLOYERS' Liability Insurance Corporation Ltd.
The EMPLOYERS' Fire Insurance Company
AMERICAN EMPLOYERS' Insurance Company

Dear Friends:

During the next twelve months over 10,000 lives and
\$690,000,000 in property will be wiped out by our common
enemy . . . FIRE.

I ask why? Why do we sit back and watch the flames when
something can be done?

Just think of it . . . many, many persons die each year from
smoking in bed. Why not fireproof bedding?

Embers from fireplaces and smoldering cigarettes are every-
day causes of fire. Why not fireproof rugs and upholstery?

Statistics prove that fire kills more girls than boys. Why
then, do we send our daughters to dances in dresses that
are firetraps?

Look at the new homes being built today "with every modern
convenience." Why don't they have fire alarm systems . . . as
easily installed as a door bell?

Why do some cities and towns consider an inferior fire
department a relief to taxpayers when the cost of one bad
fire would buy the most modern fire fighting equipment?

Why, as a nation that can create an atom bomb, do we allow
fire losses to grow steadily worse?

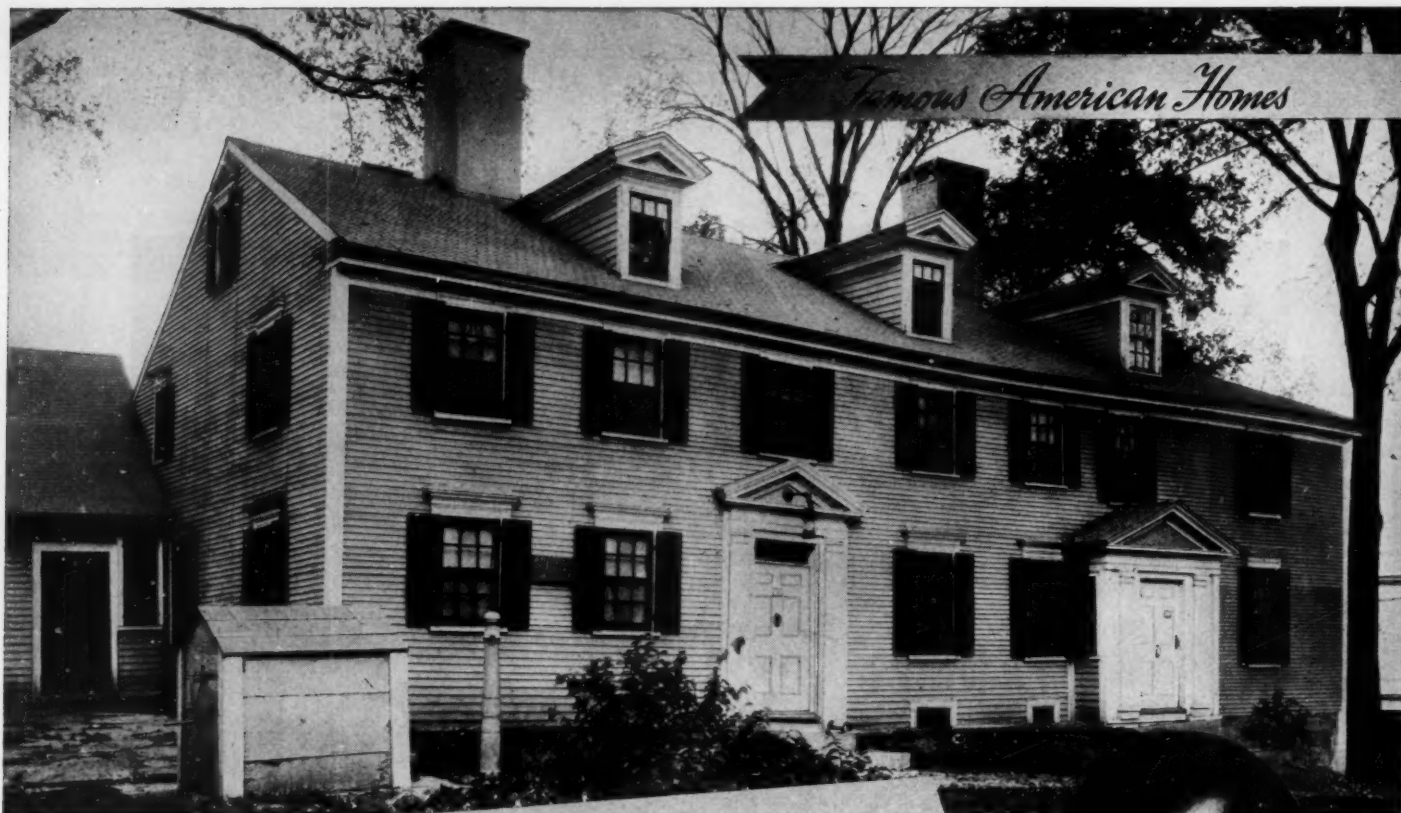
My job is to sell insurance . . . and the more fires, the more
people recognize the need for insurance. But I don't want to
die in a fire. Nor do I want to see my or your family and
home destroyed. That is why I urge every living American to
start now and stop fires to save lives, homes and jobs.

Sincerely,

The Man with the Plan

Your local Employers' Group insurance agent.

THE INSURANCE MAN SERVES AMERICA



Famous American Homes

The Home of Dauntless Spirits IN THE FIGHT FOR POLITICAL FREEDOM



Captain Nicholas Gilman, Jr.

COURIERS on horseback galloped through-out the countryside bearing the news when the Declaration of Independence was adopted. In Exeter, New Hampshire, the fateful message was dispatched to Colonel Nicholas Gilman, whose son, young John Taylor Gilman, then read it in the public square while the townspeople listened "with unutterable emotion."

The house where the message was delivered was built in 1721 by Nathaniel Ladd, a member of one of Exeter's more prominent families who were among the first settlers. Another Nathaniel Ladd sounded the trumpet that signaled an early revolt against the royal governor and was the only one of the rebels crafty enough



The Major General John Sullivan Room

to escape trial. One eccentric member of the family kept a coffin in the house in case of sudden demise and invented a pair of wings which he maintained would enable him to "cleave the air like a bird" until he experimented from an upstairs window.

In 1747 the house was bought by Daniel Gilman and for many years was owned by members of the Gilman family who were said to be as numerous as the sands on the seashore and who played an influential role in affairs of state and nation. One of the most distinguished was Colonel Nicholas Gilman who as state financier earned the title of "the brains of the Revolution in New Hampshire." Important meetings were held, state secrets discussed and the Battle of Bennington planned in the room in

his house which served as the treasury. Another room was used as the jail where debtors were chained to an iron ring which may still be seen.

Nicholas' son, John Taylor Gilman, proved his patriotism at an early age by marching off to Cambridge with a band of volunteers the morning after the Battle of Lexington. He succeeded his father as state treasurer and served a number of terms as governor. At the alarm of Portsmouth in 1814 he took personal command of a large detachment of militia. His brother, Captain Nicholas Gilman, Jr. who was on Washington's staff, participated in many important battles and later served as delegate to the Constitutional Convention and as Senator from New Hampshire.

The Ladd-Gilman house is now owned by the New Hampshire Society of the Cincinnati and is commonly known as Cincinnati Memorial Hall.

The Home, through its agents and brokers, is America's leading insurance protector of American Homes and the Homes of American Industry.

☆ THE HOME ☆
Insurance Company
NEW YORK
FIRE • AUTOMOBILE • MARINE INSURANCE



The Tap Room in the old kitchen



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